

1.1 A bill for an act

1.2 relating to state government; establishing the health and human services
1.3 budget; modifying provisions governing health care, MinnesotaCare, MNsure,
1.4 continuing care, nursing facility payments and workforce development, public
1.5 health and health care delivery, children and family services, chemical and
1.6 mental health, direct care and treatment, withdrawal management programs,
1.7 and health-related licensing boards; establishing uniform requirements for
1.8 public assistance programs related to income calculation, reporting income,
1.9 and correcting overpayments and underpayments; making changes to medical
1.10 assistance, home and community-based services, Northstar Care for Children,
1.11 child protection, group residential housing, child support, and civil commitment;
1.12 making changes to and eliminating MinnesotaCare; establishing a federally
1.13 facilitated marketplace; providing for certain provider rate and grant increases;
1.14 establishing the Minnesota ABLE plan and accounts; modifying requirements
1.15 for administrative expenses and audits of certain public health care programs;
1.16 providing for protection of born alive infants; regulating certain facilities that
1.17 perform abortions; establishing standards for withdrawal management programs;
1.18 requiring reports and studies; authorizing rulemaking; making technical changes;
1.19 modifying certain fees for health-related licensing boards; making human
1.20 services forecast adjustments; appropriating money; amending Minnesota
1.21 Statutes 2014, sections 13.46, subdivisions 2, 7; 13.461, by adding a subdivision;
1.22 15A.0815, subdivision 3; 43A.241; 62A.02, subdivision 2; 62A.045; 62Q.55,
1.23 subdivision 3; 62V.02, by adding a subdivision; 62V.03, subdivision 2; 62V.04,
1.24 subdivisions 1, 2, 4; 62V.05, subdivisions 1, 5, 6, by adding subdivisions; 62V.11,
1.25 subdivision 2, by adding a subdivision; 103I.205, subdivision 4; 119B.011,
1.26 subdivision 15; 119B.025, subdivision 1; 119B.035, subdivision 4; 119B.09,
1.27 subdivision 4; 144.293, subdivision 5; 144A.071, subdivision 4a; 144A.75,
1.28 subdivision 13; 144E.001, by adding a subdivision; 144E.275, subdivision 1, by
1.29 adding a subdivision; 145.4131, subdivision 1; 145.423; 145.56, subdivisions
1.30 2, 4; 145.928, subdivision 13; 146B.01, subdivision 28; 146B.03, subdivisions
1.31 4, 6, by adding a subdivision; 146B.07, subdivisions 1, 2; 147.091, subdivision
1.32 1; 148.271; 148.52; 148.54; 148.57, subdivisions 1, 2, by adding a subdivision;
1.33 148.574; 148.575, subdivision 2; 148.577; 148.59; 148.603; 148E.075;
1.34 148E.080, subdivisions 1, 2; 148E.180, subdivisions 2, 5; 150A.06, subdivision
1.35 1b; 150A.091, subdivisions 4, 5, 11, by adding subdivisions; 150A.31; 151.01,
1.36 subdivisions 15a, 27; 151.02; 151.065, subdivisions 1, 2, 3, 4; 151.102;
1.37 151.58, subdivisions 2, 5; 152.34; 157.15, subdivision 8; 214.077; 214.10,
1.38 subdivisions 2, 2a; 214.32, subdivision 6; 245.467, subdivision 6; 245.4876,
1.39 subdivision 7; 245A.06, by adding a subdivision; 245A.155, subdivisions 1, 2;

2.1 245A.65, subdivision 2; 245C.03, by adding subdivisions; 245C.10, by adding
2.2 subdivisions; 245D.02, by adding a subdivision; 245D.05, subdivisions 1, 2;
2.3 245D.06, subdivisions 1, 2, 7; 245D.07, subdivision 2; 245D.071, subdivision
2.4 5; 245D.09, subdivisions 3, 5; 245D.22, subdivision 4; 245D.31, subdivisions
2.5 3, 4, 5; 252.27, subdivision 2a; 253B.18, subdivisions 4c, 5; 256.01, by
2.6 adding subdivisions; 256.017, subdivision 1; 256.478; 256.741, subdivisions
2.7 1, 2; 256.962, by adding a subdivision; 256.969, subdivisions 2b, 9; 256.975,
2.8 subdivision 2, by adding a subdivision; 256.98, subdivision 1; 256B.021,
2.9 subdivision 4; 256B.056, subdivision 5c; 256B.057, subdivision 9; 256B.0625,
2.10 subdivisions 3b, 13, 13e, 13h, 17, 28a, 31, 58, by adding subdivisions;
2.11 256B.0631; 256B.0644; 256B.0913, subdivision 4; 256B.0915, subdivisions
2.12 3a, 3e, 3h; 256B.0916, subdivisions 2, 11, by adding a subdivision; 256B.097,
2.13 subdivisions 3, 4; 256B.431, subdivisions 2b, 36; 256B.434, subdivision 4, by
2.14 adding a subdivision; 256B.441, subdivisions 1, 5, 6, 13, 14, 17, 30, 31, 33,
2.15 35, 40, 44, 46c, 48, 50, 51, 51a, 53, 54, 55a, 56, 63, by adding subdivisions;
2.16 256B.49, subdivision 26, by adding a subdivision; 256B.4913, subdivisions 4a,
2.17 5; 256B.4914, subdivisions 2, 6, 8, 10, 14, 15; 256B.492; 256B.50, subdivision
2.18 1; 256B.5012, by adding a subdivision; 256B.69, subdivisions 5a, 5i, 9c, 9d,
2.19 by adding a subdivision; 256B.75; 256B.76, subdivisions 1, 2; 256B.762;
2.20 256B.766; 256B.767; 256D.01, subdivision 1a; 256D.02, subdivision 8, by
2.21 adding subdivisions; 256D.06, subdivision 1; 256D.405, subdivision 3; 256E.35,
2.22 subdivision 2, by adding a subdivision; 256I.03, subdivisions 3, 7, by adding
2.23 subdivisions; 256I.04; 256I.05, subdivisions 1c, 1g, 2; 256I.06, subdivisions 2, 6,
2.24 7, 8; 256J.08, subdivisions 26, 86; 256J.30, subdivisions 1, 9; 256J.35; 256J.40;
2.25 256J.95, subdivision 19; 256K.45, subdivision 1a; 256L.01, subdivisions
2.26 3a, 5; 256L.03, subdivision 5; 256L.04, subdivisions 1c, 7b, 10; 256L.05,
2.27 subdivisions 3, 3a, 4, by adding a subdivision; 256L.06, subdivision 3; 256L.121,
2.28 subdivision 1; 256N.22, subdivisions 9, 10; 256N.24, subdivision 4; 256N.25,
2.29 subdivision 1; 256N.27, subdivision 2; 256P.001; 256P.01, subdivision 3, by
2.30 adding subdivisions; 256P.02, by adding a subdivision; 256P.03, subdivision 1;
2.31 256P.04, subdivisions 1, 4; 256P.05, subdivision 1; 257.75, subdivisions 3, 5;
2.32 259A.75; 260C.007, subdivisions 27, 32; 260C.203; 260C.212, subdivision 1,
2.33 by adding subdivisions; 260C.331, subdivision 1; 260C.451, subdivisions 2, 6;
2.34 260C.515, subdivision 5; 260C.521, subdivisions 1, 2; 260C.607, subdivision
2.35 4; 270A.03, subdivision 5; 270B.14, subdivision 1; 518A.26, subdivision 14;
2.36 518A.32, subdivision 2; 518A.39, subdivision 1, by adding a subdivision;
2.37 518A.41, subdivisions 1, 3, 4, 14, 15; 518A.43, by adding a subdivision;
2.38 518A.46, subdivision 3, by adding a subdivision; 518A.51; 518A.53, subdivision
2.39 4; 518C.802; 626.556, subdivisions 1, as amended, 2, 3, 6a, 7, as amended,
2.40 10, 10e, 11c, by adding subdivisions; 626.559, by adding a subdivision; Laws
2.41 2008, chapter 363, article 18, section 3, subdivision 5; Laws 2012, chapter
2.42 247, article 4, section 47, as amended; Laws 2014, chapter 189, sections 5; 10;
2.43 11; 16; 17; 18; 19; 23; 24; 27; 28; 29; 31; 43; 50; 51; 73; proposing coding
2.44 for new law in Minnesota Statutes, chapters 62A; 62V; 144; 145; 148; 245;
2.45 245A; 256B; 256E; 256M; 256P; 518A; proposing coding for new law as
2.46 Minnesota Statutes, chapters 245F; 256Q; repealing Minnesota Statutes 2014,
2.47 sections 13.461, subdivision 26; 13D.08, subdivision 5a; 16A.724, subdivision
2.48 3; 62A.046, subdivision 5; 62V.01; 62V.02; 62V.03; 62V.04; 62V.05; 62V.06;
2.49 62V.07; 62V.08; 62V.09; 62V.10; 62V.11; 148.57, subdivisions 3, 4; 148.571;
2.50 148.572; 148.573, subdivision 1; 148.575, subdivisions 1, 3, 5, 6; 148.576;
2.51 148E.060, subdivision 12; 148E.075, subdivisions 4, 5, 6, 7; 214.105; 256.01,
2.52 subdivision 35; 256B.434, subdivision 19b; 256B.441, subdivisions 14a, 19, 50a,
2.53 52, 55, 58, 62; 256D.0513; 256D.06, subdivision 8; 256D.09, subdivision 6;
2.54 256D.49; 256J.38; 256L.01, subdivisions 1, 1a, 1b, 2, 3, 3a, 5, 6, 7; 256L.02,
2.55 subdivisions 1, 2, 3, 5, 6; 256L.03, subdivisions 1, 1a, 1b, 2, 3, 3a, 3b, 4, 4a, 5,
2.56 6; 256L.04, subdivisions 1, 1a, 1c, 2, 2a, 7, 7a, 7b, 8, 10, 12, 13, 14; 256L.05,
2.57 subdivisions 1, 1a, 1b, 1c, 2, 3, 3a, 3c, 4, 5, 6; 256L.06, subdivision 3; 256L.07,
2.58 subdivisions 1, 2, 3, 4; 256L.09, subdivisions 1, 2, 4, 5, 6, 7; 256L.10; 256L.11,

3.1 subdivisions 1, 2, 2a, 3, 4, 7; 256L.12; 256L.121; 256L.15, subdivisions 1, 1a,
3.2 1b, 2; 256L.18; 256L.22; 256L.24; 256L.26; 256L.28; Minnesota Rules, part
3.3 3400.0170, subparts 5, 6, 12, 13.

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

3.5 **ARTICLE 1**

3.6 **HEALTH CARE**

3.7 Section 1. Minnesota Statutes 2014, section 62A.045, is amended to read:

3.8 **62A.045 PAYMENTS ON BEHALF OF ENROLLEES IN GOVERNMENT**
3.9 **HEALTH PROGRAMS.**

3.10 (a) As a condition of doing business in Minnesota or providing coverage to
3.11 residents of Minnesota covered by this section, each health insurer shall comply with the
3.12 requirements of the federal Deficit Reduction Act of 2005, Public Law 109-171, including
3.13 any federal regulations adopted under that act, to the extent that it imposes a requirement
3.14 that applies in this state and that is not also required by the laws of this state. This section
3.15 does not require compliance with any provision of the federal act prior to the effective date
3.16 provided for that provision in the federal act. The commissioner shall enforce this section.

3.17 For the purpose of this section, "health insurer" includes self-insured plans, group
3.18 health plans (as defined in section 607(1) of the Employee Retirement Income Security
3.19 Act of 1974), service benefit plans, managed care organizations, pharmacy benefit
3.20 managers, or other parties that are by contract legally responsible to pay a claim for a
3.21 health-care item or service for an individual receiving benefits under paragraph (b).

3.22 (b) No plan offered by a health insurer issued or renewed to provide coverage to
3.23 a Minnesota resident shall contain any provision denying or reducing benefits because
3.24 services are rendered to a person who is eligible for or receiving medical benefits pursuant
3.25 to title XIX of the Social Security Act (Medicaid) in this or any other state; chapter 256;
3.26 256B; or 256D or services pursuant to section 252.27; 256L.01 to 256L.10; 260B.331,
3.27 subdivision 2; 260C.331, subdivision 2; or 393.07, subdivision 1 or 2. No health insurer
3.28 providing benefits under plans covered by this section shall use eligibility for medical
3.29 programs named in this section as an underwriting guideline or reason for nonacceptance
3.30 of the risk.

3.31 (c) If payment for covered expenses has been made under state medical programs for
3.32 health care items or services provided to an individual, and a third party has a legal liability
3.33 to make payments, the rights of payment and appeal of an adverse coverage decision for the
3.34 individual, or in the case of a child their responsible relative or caretaker, will be subrogated
3.35 to the state agency. The state agency may assert its rights under this section within three

4.1 years of the date the service was rendered. For purposes of this section, "state agency"
4.2 includes prepaid health plans under contract with the commissioner according to sections
4.3 256B.69, 256D.03, subdivision 4, paragraph (c), and 256L.12; children's mental health
4.4 collaboratives under section 245.493; demonstration projects for persons with disabilities
4.5 under section 256B.77; nursing homes under the alternative payment demonstration project
4.6 under section 256B.434; and county-based purchasing entities under section 256B.692.

4.7 (d) Notwithstanding any law to the contrary, when a person covered by a plan
4.8 offered by a health insurer receives medical benefits according to any statute listed in this
4.9 section, payment for covered services or notice of denial for services billed by the provider
4.10 must be issued directly to the provider. If a person was receiving medical benefits through
4.11 the Department of Human Services at the time a service was provided, the provider must
4.12 indicate this benefit coverage on any claim forms submitted by the provider to the health
4.13 insurer for those services. If the commissioner of human services notifies the health
4.14 insurer that the commissioner has made payments to the provider, payment for benefits or
4.15 notices of denials issued by the health insurer must be issued directly to the commissioner.
4.16 Submission by the department to the health insurer of the claim on a Department of
4.17 Human Services claim form is proper notice and shall be considered proof of payment of
4.18 the claim to the provider and supersedes any contract requirements of the health insurer
4.19 relating to the form of submission. Liability to the insured for coverage is satisfied to the
4.20 extent that payments for those benefits are made by the health insurer to the provider or
4.21 the commissioner as required by this section.

4.22 (e) When a state agency has acquired the rights of an individual eligible for medical
4.23 programs named in this section and has health benefits coverage through a health insurer,
4.24 the health insurer shall not impose requirements that are different from requirements
4.25 applicable to an agent or assignee of any other individual covered.

4.26 (f) A health insurer must process a claim made by a state agency for covered
4.27 expenses paid under state medical programs within 90 business days of the claim's
4.28 submission. If the health insurer needs additional information to process the claim,
4.29 the health insurer may be granted an additional 30 business days to process the claim,
4.30 provided the health insurer submits the request for additional information to the state
4.31 agency within 30 business days after the health insurer received the claim.

4.32 (g) A health insurer may request a refund of a claim paid in error to the Department
4.33 of Human Services within two years of the date the payment was made to the department.
4.34 A request for a refund shall not be honored by the department if the health insurer makes
4.35 the request after the time period has lapsed.

5.1 Sec. 2. Minnesota Statutes 2014, section 150A.06, subdivision 1b, is amended to read:

5.2 Subd. 1b. **Resident dentists.** A person who is a graduate of a dental school and
5.3 is an enrolled graduate student or student of an accredited advanced dental education
5.4 program and who is not licensed to practice dentistry in the state shall obtain from the
5.5 board a license to practice dentistry as a resident dentist. The license must be designated
5.6 "resident dentist license" and authorizes the licensee to practice dentistry only under the
5.7 supervision of a licensed dentist. A University of Minnesota School of Dentistry dental
5.8 resident holding a resident dentist license is eligible for enrollment in medical assistance,
5.9 as provided under section 256B.0625, subdivision 9b. A resident dentist license must be
5.10 renewed annually pursuant to the board's rules. An applicant for a resident dentist license
5.11 shall pay a nonrefundable fee set by the board for issuing and renewing the license. The
5.12 requirements of sections 150A.01 to 150A.21 apply to resident dentists except as specified
5.13 in rules adopted by the board. A resident dentist license does not qualify a person for
5.14 licensure under subdivision 1.

5.15 Sec. 3. Minnesota Statutes 2014, section 151.58, subdivision 2, is amended to read:

5.16 Subd. 2. **Definitions.** For purposes of this section only, the terms defined in this
5.17 subdivision have the meanings given.

5.18 (a) "Automated drug distribution system" or "system" means a mechanical system
5.19 approved by the board that performs operations or activities, other than compounding or
5.20 administration, related to the storage, packaging, or dispensing of drugs, and collects,
5.21 controls, and maintains all required transaction information and records.

5.22 (b) "Health care facility" means a nursing home licensed under section 144A.02;
5.23 a housing with services establishment registered under section 144D.01, subdivision 4,
5.24 in which a home provider licensed under chapter 144A is providing centralized storage
5.25 of medications; a boarding care home licensed under sections 144.50 to 144.58 that is
5.26 providing centralized storage of medications; or a Minnesota sex offender program facility
5.27 operated by the Department of Human Services.

5.28 (c) "Managing pharmacy" means a pharmacy licensed by the board that controls and
5.29 is responsible for the operation of an automated drug distribution system.

5.30 Sec. 4. Minnesota Statutes 2014, section 151.58, subdivision 5, is amended to read:

5.31 Subd. 5. **Operation of automated drug distribution systems.** (a) The managing
5.32 pharmacy and the pharmacist in charge are responsible for the operation of an automated
5.33 drug distribution system.

6.1 (b) Access to an automated drug distribution system must be limited to pharmacy
6.2 and nonpharmacy personnel authorized to procure drugs from the system, except that field
6.3 service technicians may access a system located in a health care facility for the purposes of
6.4 servicing and maintaining it while being monitored either by the managing pharmacy, or a
6.5 licensed nurse within the health care facility. In the case of an automated drug distribution
6.6 system that is not physically located within a licensed pharmacy, access for the purpose
6.7 of procuring drugs shall be limited to licensed nurses. Each person authorized to access
6.8 the system must be assigned an individual specific access code. Alternatively, access to
6.9 the system may be controlled through the use of biometric identification procedures. A
6.10 policy specifying time access parameters, including time-outs, logoffs, and lockouts,
6.11 must be in place.

6.12 (c) For the purposes of this section only, the requirements of section 151.215 are met
6.13 if the following clauses are met:

6.14 (1) a pharmacist employed by and working at the managing pharmacy, or at a
6.15 pharmacy that is acting as a central services pharmacy for the managing pharmacy,
6.16 pursuant to Minnesota Rules, part 6800.4075, must review, interpret, and approve all
6.17 prescription drug orders before any drug is distributed from the system to be administered
6.18 to a patient. A pharmacy technician may perform data entry of prescription drug orders
6.19 provided that a pharmacist certifies the accuracy of the data entry before the drug can
6.20 be released from the automated drug distribution system. A pharmacist employed by
6.21 and working at the managing pharmacy must certify the accuracy of the filling of any
6.22 cassettes, canisters, or other containers that contain drugs that will be loaded into the
6.23 automated drug distribution system, unless the filled cassettes, canisters, or containers
6.24 have been provided by a repackager registered with the United States Food and Drug
6.25 Administration and licensed by the board as a manufacturer; and

6.26 (2) when the automated drug dispensing system is located and used within the
6.27 managing pharmacy, a pharmacist must personally supervise and take responsibility for all
6.28 packaging and labeling associated with the use of an automated drug distribution system.

6.29 (d) Access to drugs when a pharmacist has not reviewed and approved the
6.30 prescription drug order is permitted only when a formal and written decision to allow such
6.31 access is issued by the pharmacy and the therapeutics committee or its equivalent. The
6.32 committee must specify the patient care circumstances in which such access is allowed,
6.33 the drugs that can be accessed, and the staff that are allowed to access the drugs.

6.34 (e) In the case of an automated drug distribution system that does not utilize bar
6.35 coding in the loading process, the loading of a system located in a health care facility may
6.36 be performed by a pharmacy technician, so long as the activity is continuously supervised,

7.1 through a two-way audiovisual system by a pharmacist on duty within the managing
7.2 pharmacy. In the case of an automated drug distribution system that utilizes bar coding
7.3 in the loading process, the loading of a system located in a health care facility may be
7.4 performed by a pharmacy technician or a licensed nurse, provided that the managing
7.5 pharmacy retains an electronic record of loading activities.

7.6 (f) The automated drug distribution system must be under the supervision of a
7.7 pharmacist. The pharmacist is not required to be physically present at the site of the
7.8 automated drug distribution system if the system is continuously monitored electronically
7.9 by the managing pharmacy. A pharmacist on duty within a pharmacy licensed by the
7.10 board must be continuously available to address any problems detected by the monitoring
7.11 or to answer questions from the staff of the health care facility. The licensed pharmacy
7.12 may be the managing pharmacy or a pharmacy which is acting as a central services
7.13 pharmacy, pursuant to Minnesota Rules, part 6800.4075, for the managing pharmacy.

7.14 Sec. 5. Minnesota Statutes 2014, section 256.969, subdivision 2b, is amended to read:

7.15 Subd. 2b. **Hospital payment rates.** (a) For discharges occurring on or after
7.16 November 1, 2014, hospital inpatient services for hospitals located in Minnesota shall be
7.17 paid according to the following:

7.18 (1) critical access hospitals as defined by Medicare shall be paid using a cost-based
7.19 methodology;

7.20 (2) long-term hospitals as defined by Medicare shall be paid on a per diem
7.21 methodology under subdivision 25;

7.22 (3) rehabilitation hospitals or units of hospitals that are recognized as rehabilitation
7.23 distinct parts as defined by Medicare shall be paid according to the methodology under
7.24 subdivision 12; and

7.25 (4) all other hospitals shall be paid on a diagnosis-related group (DRG) methodology.

7.26 (b) For the period beginning January 1, 2011, through October 31, 2014, rates shall
7.27 not be rebased, except that a Minnesota long-term hospital shall be rebased effective
7.28 January 1, 2011, based on its most recent Medicare cost report ending on or before
7.29 September 1, 2008, with the provisions under subdivisions 9 and 23, based on the rates
7.30 in effect on December 31, 2010. For rate setting periods after November 1, 2014, in
7.31 which the base years are updated, a Minnesota long-term hospital's base year shall remain
7.32 within the same period as other hospitals.

7.33 (c) Effective for discharges occurring on and after November 1, 2014, payment rates
7.34 for hospital inpatient services provided by hospitals located in Minnesota or the local trade
7.35 area, except for the hospitals paid under the methodologies described in paragraph (a),

8.1 clauses (2) and (3), shall be rebased, incorporating cost and payment methodologies in a
8.2 manner similar to Medicare. The base year for the rates effective November 1, 2014, shall
8.3 be calendar year 2012. The rebasing under this paragraph shall be budget neutral, ensuring
8.4 that the total aggregate payments under the rebased system are equal to the total aggregate
8.5 payments that were made for the same number and types of services in the base year.
8.6 Separate budget neutrality calculations shall be determined for payments made to critical
8.7 access hospitals and payments made to hospitals paid under the DRG system. Only the rate
8.8 increases or decreases under subdivision 3a or 3c that applied to the hospitals being rebased
8.9 during the entire base period shall be incorporated into the budget neutrality calculation.

8.10 (d) For discharges occurring on or after November 1, 2014, through June 30, 2016,
8.11 the rebased rates under paragraph (c) shall include adjustments to the projected rates that
8.12 result in no greater than a five percent increase or decrease from the base year payments
8.13 for any hospital. Any adjustments to the rates made by the commissioner under this
8.14 paragraph and paragraph (e) shall maintain budget neutrality as described in paragraph (c).

8.15 (e) For discharges occurring on or after November 1, 2014, through June 30, 2016,
8.16 the commissioner may make additional adjustments to the rebased rates, and when
8.17 evaluating whether additional adjustments should be made, the commissioner shall
8.18 consider the impact of the rates on the following:

- 8.19 (1) pediatric services;
- 8.20 (2) behavioral health services;
- 8.21 (3) trauma services as defined by the National Uniform Billing Committee;
- 8.22 (4) transplant services;
- 8.23 (5) obstetric services, newborn services, and behavioral health services provided
8.24 by hospitals outside the seven-county metropolitan area;
- 8.25 (6) outlier admissions;
- 8.26 (7) low-volume providers; and
- 8.27 (8) services provided by small rural hospitals that are not critical access hospitals.

8.28 (f) Hospital payment rates established under paragraph (c) must incorporate the
8.29 following:

8.30 (1) for hospitals paid under the DRG methodology, the base year payment rate per
8.31 admission is standardized by the applicable Medicare wage index and adjusted by the
8.32 hospital's disproportionate population adjustment;

8.33 (2) for critical access hospitals, interim per diem payment rates shall be based on the
8.34 ratio of cost and charges reported on the base year Medicare cost report or reports and
8.35 applied to medical assistance utilization data. Final settlement payments for a state fiscal

9.1 year must be determined based on a review of the medical assistance cost report required
9.2 under subdivision 4b for the applicable state fiscal year;

9.3 (3) the cost and charge data used to establish hospital payment rates must only
9.4 reflect inpatient services covered by medical assistance; and

9.5 (4) in determining hospital payment rates for discharges occurring on or after the
9.6 rate year beginning January 1, 2011, through December 31, 2012, the hospital payment
9.7 rate per discharge shall be based on the cost-finding methods and allowable costs of the
9.8 Medicare program in effect during the base year or years.

9.9 (g) The commissioner shall validate the rates effective November 1, 2014, by
9.10 applying the rates established under paragraph (c), and any adjustments made to the rates
9.11 under paragraph (d) or (e), to hospital claims paid in calendar year 2013 to determine
9.12 whether the total aggregate payments for the same number and types of services under the
9.13 rebased rates are equal to the total aggregate payments made during calendar year 2013.

9.14 (h) Effective for discharges occurring on or after July 1, 2017, and every two
9.15 years thereafter, payment rates under this section shall be rebased to reflect only those
9.16 changes in hospital costs between the existing base year and the next base year. The
9.17 commissioner shall establish the base year for each rebasing period considering the most
9.18 recent year for which filed Medicare cost reports are available. The estimated change in
9.19 the average payment per hospital discharge resulting from a scheduled rebasing must be
9.20 calculated and made available to the legislature by January 15 of each year in which
9.21 rebasing is scheduled to occur, and must include by hospital the differential in payment
9.22 rates compared to the individual hospital's costs.

9.23 (i) Effective for discharges occurring on or after July 1, 2015, payment rates for
9.24 critical access hospitals located in Minnesota or the local trade area shall be determined
9.25 using a new cost-based methodology. The commissioner shall establish within the
9.26 methodology tiers of payment designed to promote efficiency and cost-effectiveness.
9.27 Annual payments to hospitals under this paragraph shall equal the total cost for critical
9.28 access hospitals as reflected in base year cost reports. The new cost-based rate shall be
9.29 the final rate and shall not be settled to actual incurred costs. The factors used to develop
9.30 the new methodology may include but are not limited to:

9.31 (1) the ratio between the hospital's costs for treating medical assistance patients and
9.32 the hospital's charges to the medical assistance program;

9.33 (2) the ratio between the hospital's costs for treating medical assistance patients and
9.34 the hospital's payments received from the medical assistance program for the care of
9.35 medical assistance patients;

10.1 (3) the ratio between the hospital's charges to the medical assistance program and
10.2 the hospital's payments received from the medical assistance program for the care of
10.3 medical assistance patients;

10.4 (4) the statewide average increases in the ratios identified in clauses (1), (2), and (3);

10.5 (5) the proportion of that hospital's costs that are administrative and trends in
10.6 administrative costs; and

10.7 (6) geographic location.

10.8 Sec. 6. Minnesota Statutes 2014, section 256.969, subdivision 9, is amended to read:

10.9 Subd. 9. **Disproportionate numbers of low-income patients served.** (a) For
10.10 admissions occurring on or after July 1, 1993, the medical assistance disproportionate
10.11 population adjustment shall comply with federal law and shall be paid to a hospital,
10.12 excluding regional treatment centers and facilities of the federal Indian Health Service,
10.13 with a medical assistance inpatient utilization rate in excess of the arithmetic mean. The
10.14 adjustment must be determined as follows:

10.15 (1) for a hospital with a medical assistance inpatient utilization rate above the
10.16 arithmetic mean for all hospitals excluding regional treatment centers and facilities of the
10.17 federal Indian Health Service but less than or equal to one standard deviation above the
10.18 mean, the adjustment must be determined by multiplying the total of the operating and
10.19 property payment rates by the difference between the hospital's actual medical assistance
10.20 inpatient utilization rate and the arithmetic mean for all hospitals excluding regional
10.21 treatment centers and facilities of the federal Indian Health Service; and

10.22 (2) for a hospital with a medical assistance inpatient utilization rate above one
10.23 standard deviation above the mean, the adjustment must be determined by multiplying
10.24 the adjustment that would be determined under clause (1) for that hospital by 1.1.

10.25 The commissioner may establish a separate disproportionate population payment rate
10.26 adjustment for critical access hospitals. The commissioner shall report annually on the
10.27 number of hospitals likely to receive the adjustment authorized by this paragraph. The
10.28 commissioner shall specifically report on the adjustments received by public hospitals and
10.29 public hospital corporations located in cities of the first class.

10.30 (b) Certified public expenditures made by Hennepin County Medical Center shall
10.31 be considered Medicaid disproportionate share hospital payments. Hennepin County
10.32 and Hennepin County Medical Center shall report by June 15, 2007, on payments made
10.33 beginning July 1, 2005, or another date specified by the commissioner, that may qualify
10.34 for reimbursement under federal law. Based on these reports, the commissioner shall
10.35 apply for federal matching funds.

11.1 (c) Upon federal approval of the related state plan amendment, paragraph (b) is
11.2 effective retroactively from July 1, 2005, or the earliest effective date approved by the
11.3 Centers for Medicare and Medicaid Services.

11.4 (d) Effective July 1, 2015, disproportionate share hospital (DSH) payments shall
11.5 be paid in accordance with a new methodology. Annual DSH payments made under
11.6 this paragraph shall equal the total amount of DSH payments made for 2012. The new
11.7 methodology shall take into account a variety of factors, including but not limited to:

11.8 (1) the medical assistance utilization rate of the hospitals that receive payments
11.9 under this subdivision;

11.10 (2) whether the hospital is located within Minnesota;

11.11 (3) the difference between a hospital's costs for treating medical assistance patients
11.12 and the total amount of payments received from medical assistance;

11.13 (4) the percentage of uninsured patient days at each qualifying hospital in relation
11.14 to the total number of uninsured patient days statewide;

11.15 (5) the hospital's status as a hospital authorized to make presumptive eligibility
11.16 determinations for medical assistance in accordance with section 256B.057, subdivision 12;

11.17 (6) the hospital's status as a safety net, critical access, children's, rehabilitation, or
11.18 long-term hospital;

11.19 (7) whether the hospital's administrative cost of compiling the necessary DSH
11.20 reports exceeds the anticipated value of any calculated DSH payment; and

11.21 (8) whether the hospital provides specific services designated by the commissioner
11.22 to be of particular importance to the medical assistance program.

11.23 (e) Any payments or portion of payments made to a hospital under this subdivision
11.24 that are subsequently returned to the commissioner because the payments are found to
11.25 exceed the hospital-specific DSH limit for that hospital shall be redistributed to other
11.26 DSH-eligible hospitals in a manner established by the commissioner.

11.27 Sec. 7. Minnesota Statutes 2014, section 256B.056, subdivision 5c, is amended to read:

11.28 Subd. 5c. **Excess income standard.** (a) The excess income standard for parents
11.29 and caretaker relatives, pregnant women, infants, and children ages two through 20 is the
11.30 standard specified in subdivision 4, paragraph (b).

11.31 (b) The excess income standard for a person whose eligibility is based on blindness,
11.32 disability, or age of 65 or more years shall equal 75 80 percent of the federal poverty
11.33 guidelines.

11.34 **EFFECTIVE DATE.** This section is effective July 1, 2016.

12.1 Sec. 8. Minnesota Statutes 2014, section 256B.0625, is amended by adding a
12.2 subdivision to read:

12.3 Subd. 9b. **Dental services provided by faculty members and resident dentists**
12.4 **at a dental school.** (a) A dentist who is not enrolled as a medical assistance provider,
12.5 is a faculty or adjunct member at the University of Minnesota or a resident dentist
12.6 licensed under section 150A.06, subdivision 1b, and is providing dental services at a
12.7 dental clinic owned or operated by the University of Minnesota, may be enrolled as a
12.8 medical assistance provider if the provider completes and submits to the commissioner an
12.9 agreement form developed by the commissioner. The agreement must specify that the
12.10 faculty or adjunct member or resident dentist:

12.11 (1) will not receive payment for the services provided to medical assistance or
12.12 MinnesotaCare enrollees performed at the dental clinics owned or operated by the
12.13 University of Minnesota;

12.14 (2) will not be listed in the medical assistance or MinnesotaCare provider directory;
12.15 and

12.16 (3) is not required to serve medical assistance and MinnesotaCare enrollees when
12.17 providing nonvolunteer services in a private practice.

12.18 (b) A dentist or resident dentist enrolled under this subdivision as a fee-for-service
12.19 provider shall not otherwise be enrolled in or receive payments from medical assistance or
12.20 MinnesotaCare as a fee-for-service provider.

12.21 Sec. 9. Minnesota Statutes 2014, section 256B.0625, subdivision 13, is amended to read:

12.22 Subd. 13. **Drugs.** (a) Medical assistance covers drugs, except for fertility drugs
12.23 when specifically used to enhance fertility, if prescribed by a licensed practitioner and
12.24 dispensed by a licensed pharmacist, by a physician enrolled in the medical assistance
12.25 program as a dispensing physician, or by a physician, physician assistant, or a nurse
12.26 practitioner employed by or under contract with a community health board as defined in
12.27 section 145A.02, subdivision 5, for the purposes of communicable disease control.

12.28 (b) The dispensed quantity of a prescription drug must not exceed a 34-day supply,
12.29 unless authorized by the commissioner.

12.30 (c) For the purpose of this subdivision and subdivision 13d, an "active
12.31 pharmaceutical ingredient" is defined as a substance that is represented for use in a drug
12.32 and when used in the manufacturing, processing, or packaging of a drug becomes an
12.33 active ingredient of the drug product. An "excipient" is defined as an inert substance
12.34 used as a diluent or vehicle for a drug. The commissioner shall establish a list of active
12.35 pharmaceutical ingredients and excipients which are included in the medical assistance

13.1 formulary. Medical assistance covers selected active pharmaceutical ingredients and
13.2 excipients used in compounded prescriptions when the compounded combination is
13.3 specifically approved by the commissioner or when a commercially available product:

13.4 (1) is not a therapeutic option for the patient;

13.5 (2) does not exist in the same combination of active ingredients in the same strengths
13.6 as the compounded prescription; and

13.7 (3) cannot be used in place of the active pharmaceutical ingredient in the
13.8 compounded prescription.

13.9 (d) Medical assistance covers the following over-the-counter drugs when prescribed
13.10 by a licensed practitioner or by a licensed pharmacist who meets standards established by
13.11 the commissioner, in consultation with the board of pharmacy: antacids, acetaminophen,
13.12 family planning products, aspirin, insulin, products for the treatment of lice, vitamins for
13.13 adults with documented vitamin deficiencies, vitamins for children under the age of seven
13.14 and pregnant or nursing women, and any other over-the-counter drug identified by the
13.15 commissioner, in consultation with the formulary committee, as necessary, appropriate,
13.16 and cost-effective for the treatment of certain specified chronic diseases, conditions,
13.17 or disorders, and this determination shall not be subject to the requirements of chapter
13.18 14. A pharmacist may prescribe over-the-counter medications as provided under this
13.19 paragraph for purposes of receiving reimbursement under Medicaid. When prescribing
13.20 over-the-counter drugs under this paragraph, licensed pharmacists must consult with the
13.21 recipient to determine necessity, provide drug counseling, review drug therapy for potential
13.22 adverse interactions, and make referrals as needed to other health care professionals.

13.23 Over-the-counter medications must be dispensed in a quantity that is the ~~lower~~ lowest of:

13.24 (1) the number of dosage units contained in the manufacturer's original package; ~~and~~

13.25 (2) the number of dosage units required to complete the patient's course of therapy; or

13.26 (3) if applicable, the number of dosage units dispensed from a system using

13.27 retrospective billing, as provided under subdivision 13e, paragraph (b).

13.28 (e) Effective January 1, 2006, medical assistance shall not cover drugs that
13.29 are coverable under Medicare Part D as defined in the Medicare Prescription Drug,
13.30 Improvement, and Modernization Act of 2003, Public Law 108-173, section 1860D-2(e),
13.31 for individuals eligible for drug coverage as defined in the Medicare Prescription
13.32 Drug, Improvement, and Modernization Act of 2003, Public Law 108-173, section
13.33 1860D-1(a)(3)(A). For these individuals, medical assistance may cover drugs from the
13.34 drug classes listed in United States Code, title 42, section 1396r-8(d)(2), subject to this
13.35 subdivision and subdivisions 13a to 13g, except that drugs listed in United States Code,
13.36 title 42, section 1396r-8(d)(2)(E), shall not be covered.

14.1 (f) Medical assistance covers drugs acquired through the federal 340B Drug Pricing
14.2 Program and dispensed by 340B covered entities and ambulatory pharmacies under
14.3 common ownership of the 340B covered entity. Medical assistance does not cover drugs
14.4 acquired through the federal 340B Drug Pricing Program and dispensed by 340B contract
14.5 pharmacies.

14.6 **EFFECTIVE DATE.** This section is effective January 1, 2016, or upon federal
14.7 approval, whichever is later.

14.8 Sec. 10. Minnesota Statutes 2014, section 256B.0625, subdivision 13e, is amended to
14.9 read:

14.10 Subd. 13e. **Payment rates.** (a) The basis for determining the amount of payment
14.11 shall be the lower of the actual acquisition costs of the drugs or the maximum allowable
14.12 cost by the commissioner plus the fixed dispensing fee; or the usual and customary price
14.13 charged to the public. The amount of payment basis must be reduced to reflect all discount
14.14 amounts applied to the charge by any provider/insurer agreement or contract for submitted
14.15 charges to medical assistance programs. The net submitted charge may not be greater
14.16 than the patient liability for the service. The pharmacy dispensing fee shall be \$3.65
14.17 for legend prescription drugs, except that the dispensing fee for intravenous solutions
14.18 which must be compounded by the pharmacist shall be \$8 per bag, \$14 per bag for cancer
14.19 chemotherapy products, and \$30 per bag for total parenteral nutritional products dispensed
14.20 in one liter quantities, or \$44 per bag for total parenteral nutritional products dispensed in
14.21 quantities greater than one liter. The pharmacy dispensing fee for over-the-counter drugs
14.22 shall be \$3.65, except that the fee shall be \$1.31 for retrospectively billing pharmacies
14.23 when billing for quantities less than the number of units contained in the manufacturer's
14.24 original package. Actual acquisition cost includes quantity and other special discounts
14.25 except time and cash discounts. The actual acquisition cost of a drug shall be estimated
14.26 by the commissioner at wholesale acquisition cost plus four percent for independently
14.27 owned pharmacies located in a designated rural area within Minnesota, and at wholesale
14.28 acquisition cost plus two percent for all other pharmacies. A pharmacy is "independently
14.29 owned" if it is one of four or fewer pharmacies under the same ownership nationally. A
14.30 "designated rural area" means an area defined as a small rural area or isolated rural area
14.31 according to the four-category classification of the Rural Urban Commuting Area system
14.32 developed for the United States Health Resources and Services Administration. Effective
14.33 January 1, 2014, the actual acquisition cost of a drug acquired through the federal 340B
14.34 Drug Pricing Program shall be estimated by the commissioner at wholesale acquisition
14.35 cost minus 40 percent. Wholesale acquisition cost is defined as the manufacturer's list

15.1 price for a drug or biological to wholesalers or direct purchasers in the United States, not
15.2 including prompt pay or other discounts, rebates, or reductions in price, for the most
15.3 recent month for which information is available, as reported in wholesale price guides or
15.4 other publications of drug or biological pricing data. The maximum allowable cost of a
15.5 multisource drug may be set by the commissioner and it shall be comparable to, but no
15.6 higher than, the maximum amount paid by other third-party payors in this state who have
15.7 maximum allowable cost programs. Establishment of the amount of payment for drugs
15.8 shall not be subject to the requirements of the Administrative Procedure Act.

15.9 (b) Pharmacies dispensing prescriptions to residents of long-term care facilities
15.10 using an automated drug distribution system meeting the requirements of section 151.58,
15.11 or a packaging system meeting the packaging standards set forth in Minnesota Rules, part
15.12 6800.2700, that govern the return of unused drugs to the pharmacy for reuse, may employ
15.13 retrospective billing for prescriptions dispensed to long-term care facility residents. A
15.14 retrospectively billing pharmacy must submit a claim only for the quantity of medication
15.15 used by the enrolled recipient during the defined billing period. A retrospectively billing
15.16 pharmacy must use a billing period of not less than one calendar month or 30 days.

15.17 (c) An additional dispensing fee of \$.30 may be added to the dispensing fee paid to
15.18 pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities
15.19 when a unit dose blister card system, approved by the department, is used. Under this type
15.20 of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National
15.21 Drug Code (NDC) from the drug container used to fill the blister card must be identified on
15.22 the claim to the department. The unit dose blister card containing the drug must meet the
15.23 packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return
15.24 of unused drugs to the pharmacy for reuse. The A pharmacy provider using packaging
15.25 that meets the standards set forth in Minnesota Rules, part 6800.2700, subpart 2, will be
15.26 required to credit the department for the actual acquisition cost of all unused drugs that are
15.27 eligible for reuse, unless the pharmacy is using retrospective billing. The commissioner
15.28 may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply.

15.29 (e) (d) Whenever a maximum allowable cost has been set for a multisource drug,
15.30 payment shall be the lower of the usual and customary price charged to the public or the
15.31 maximum allowable cost established by the commissioner unless prior authorization
15.32 for the brand name product has been granted according to the criteria established by
15.33 the Drug Formulary Committee as required by subdivision 13f, paragraph (a), and the
15.34 prescriber has indicated "dispense as written" on the prescription in a manner consistent
15.35 with section 151.21, subdivision 2.

16.1 ~~(d)~~ (e) The basis for determining the amount of payment for drugs administered in
16.2 an outpatient setting shall be the lower of the usual and customary cost submitted by
16.3 the provider, 106 percent of the average sales price as determined by the United States
16.4 Department of Health and Human Services pursuant to title XVIII, section 1847a of the
16.5 federal Social Security Act, the specialty pharmacy rate, or the maximum allowable cost
16.6 set by the commissioner. If average sales price is unavailable, the amount of payment
16.7 must be lower of the usual and customary cost submitted by the provider, the wholesale
16.8 acquisition cost, the specialty pharmacy rate, or the maximum allowable cost set by the
16.9 commissioner. Effective January 1, 2014, the commissioner shall discount the payment
16.10 rate for drugs obtained through the federal 340B Drug Pricing Program by 20 percent. The
16.11 payment for drugs administered in an outpatient setting shall be made to the administering
16.12 facility or practitioner. A retail or specialty pharmacy dispensing a drug for administration
16.13 in an outpatient setting is not eligible for direct reimbursement.

16.14 ~~(e)~~ (f) The commissioner may negotiate lower reimbursement rates for specialty
16.15 pharmacy products than the rates specified in paragraph (a). The commissioner may
16.16 require individuals enrolled in the health care programs administered by the department
16.17 to obtain specialty pharmacy products from providers with whom the commissioner has
16.18 negotiated lower reimbursement rates. Specialty pharmacy products are defined as those
16.19 used by a small number of recipients or recipients with complex and chronic diseases
16.20 that require expensive and challenging drug regimens. Examples of these conditions
16.21 include, but are not limited to: multiple sclerosis, HIV/AIDS, transplantation, hepatitis
16.22 C, growth hormone deficiency, Crohn's Disease, rheumatoid arthritis, and certain forms
16.23 of cancer. Specialty pharmaceutical products include injectable and infusion therapies,
16.24 biotechnology drugs, antihemophilic factor products, high-cost therapies, and therapies
16.25 that require complex care. The commissioner shall consult with the formulary committee
16.26 to develop a list of specialty pharmacy products subject to this paragraph. In consulting
16.27 with the formulary committee in developing this list, the commissioner shall take into
16.28 consideration the population served by specialty pharmacy products, the current delivery
16.29 system and standard of care in the state, and access to care issues. The commissioner shall
16.30 have the discretion to adjust the reimbursement rate to prevent access to care issues.

16.31 ~~(f)~~ (g) Home infusion therapy services provided by home infusion therapy
16.32 pharmacies must be paid at rates according to subdivision 8d.

16.33 **EFFECTIVE DATE.** This section is effective January 1, 2016, or upon federal
16.34 approval, whichever is later.

17.1 Sec. 11. Minnesota Statutes 2014, section 256B.0625, subdivision 13h, is amended to
17.2 read:

17.3 Subd. 13h. **Medication therapy management services.** (a) Medical assistance ~~and~~
17.4 ~~general assistance medical care cover~~ covers medication therapy management services
17.5 for a recipient taking ~~three or more~~ prescriptions to treat or prevent one or more chronic
17.6 medical conditions; ~~a recipient with a drug therapy problem that is identified by the~~
17.7 ~~commissioner or identified by a pharmacist and approved by the commissioner; or prior~~
17.8 ~~authorized by the commissioner that has resulted or is likely to result in significant~~
17.9 ~~nondrug program costs. The commissioner may cover medical therapy management~~
17.10 ~~services under MinnesotaCare if the commissioner determines this is cost-effective. For~~
17.11 purposes of this subdivision, "medication therapy management" means the provision
17.12 of the following pharmaceutical care services by a licensed pharmacist to optimize the
17.13 therapeutic outcomes of the patient's medications:

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

17.15 (2) formulating a medication treatment plan;

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

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

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

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

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

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

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

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

17.32 (1) have a valid license issued by the Board of Pharmacy of the state in which the
17.33 medication therapy management service is being performed;

17.34 (2) have graduated from an accredited college of pharmacy on or after May 1996, or
17.35 completed a structured and comprehensive education program approved by the Board of
17.36 Pharmacy and the American Council of Pharmaceutical Education for the provision and

18.1 documentation of pharmaceutical care management services that has both clinical and
18.2 didactic elements;

18.3 (3) be practicing in an ambulatory care setting as part of a multidisciplinary team or
18.4 have developed a structured patient care process that is offered in a private or semiprivate
18.5 patient care area that is separate from the commercial business that also occurs in the
18.6 setting, or in home settings, including long-term care settings, group homes, and facilities
18.7 providing assisted living services, but excluding skilled nursing facilities; and

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

18.9 (c) For purposes of reimbursement for medication therapy management services,
18.10 the commissioner may enroll individual pharmacists as medical assistance ~~and general~~
18.11 ~~assistance medical care~~ providers. The commissioner may also establish contact
18.12 requirements between the pharmacist and recipient, including limiting the number of
18.13 reimbursable consultations per recipient.

18.14 (d) If there are no pharmacists who meet the requirements of paragraph (b) practicing
18.15 within a reasonable geographic distance of the patient, a pharmacist who meets the
18.16 requirements may provide the services via two-way interactive video. Reimbursement
18.17 shall be at the same rates and under the same conditions that would otherwise apply to
18.18 the services provided. To qualify for reimbursement under this paragraph, the pharmacist
18.19 providing the services must meet the requirements of paragraph (b), and must be
18.20 located within an ambulatory care setting ~~approved by the commissioner~~ that meets the
18.21 requirements of paragraph (b), clause (3). The patient must also be located within an
18.22 ambulatory care setting ~~approved by the commissioner~~ that meets the requirements of
18.23 paragraph (b), clause (3). Services provided under this paragraph may not be transmitted
18.24 into the patient's residence.

18.25 ~~(e) The commissioner shall establish a pilot project for an intensive medication~~
18.26 ~~therapy management program for patients identified by the commissioner with multiple~~
18.27 ~~chronic conditions and a high number of medications who are at high risk of preventable~~
18.28 ~~hospitalizations, emergency room use, medication complications, and suboptimal~~
18.29 ~~treatment outcomes due to medication-related problems. For purposes of the pilot~~
18.30 ~~project, medication therapy management services may be provided in a patient's home~~
18.31 ~~or community setting, in addition to other authorized settings. The commissioner may~~
18.32 ~~waive existing payment policies and establish special payment rates for the pilot project.~~
18.33 ~~The pilot project must be designed to produce a net savings to the state compared to the~~
18.34 ~~estimated costs that would otherwise be incurred for similar patients without the program.~~
18.35 ~~The pilot project must begin by January 1, 2010, and end June 30, 2012.~~

19.1 (e) Medication therapy management services may be delivered into a patient's
19.2 residence via secure interactive video if the medication therapy management services
19.3 are performed electronically during a covered home care visit by an enrolled provider.
19.4 Reimbursement shall be at the same rates and under the same conditions that would
19.5 otherwise apply to the services provided. To qualify for reimbursement under this
19.6 paragraph, the pharmacist providing the services must meet the requirements of paragraph
19.7 (b) and must be located within an ambulatory care setting that meets the requirements of
19.8 paragraph (b), clause (3).

19.9 Sec. 12. Minnesota Statutes 2014, section 256B.0625, subdivision 17, is amended to
19.10 read:

19.11 Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation
19.12 service" means motor vehicle transportation provided by a public or private person
19.13 that serves Minnesota health care program beneficiaries who do not require emergency
19.14 ambulance service, as defined in section 144E.001, subdivision 3, to obtain covered
19.15 medical services. Nonemergency medical transportation service includes, but is not
19.16 limited to, special transportation service, defined in section 174.29, subdivision 1.

19.17 (b) Medical assistance covers medical transportation costs incurred solely for
19.18 obtaining emergency medical care or transportation costs incurred by eligible persons in
19.19 obtaining emergency or nonemergency medical care when paid directly to an ambulance
19.20 company, common carrier, or other recognized providers of transportation services.

19.21 Medical transportation must be provided by:

19.22 (1) nonemergency medical transportation providers who meet the requirements
19.23 of this subdivision;

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

19.25 (3) taxicabs and public transit, as defined in section 174.22, subdivision 7; or

19.26 (4) not-for-hire vehicles, including volunteer drivers.

19.27 (c) Medical assistance covers nonemergency medical transportation provided by
19.28 nonemergency medical transportation providers enrolled in the Minnesota health care
19.29 programs. All nonemergency medical transportation providers must comply with the
19.30 operating standards for special transportation service as defined in sections 174.29 to
19.31 174.30 and Minnesota Rules, chapter 8840, and in consultation with the Minnesota
19.32 Department of Transportation. All nonemergency medical transportation providers shall
19.33 bill for nonemergency medical transportation services in accordance with Minnesota
19.34 health care programs criteria. Publicly operated transit systems, volunteers, and
19.35 not-for-hire vehicles are exempt from the requirements outlined in this paragraph.

20.1 (d) The administrative agency of nonemergency medical transportation must:

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

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

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

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

20.12 (e) Until the commissioner implements the single administrative structure and
20.13 delivery system under subdivision 18e, clients shall obtain their level-of-service certificate
20.14 from the commissioner or an entity approved by the commissioner that does not dispatch
20.15 rides for clients using modes under paragraph (h), clauses (4), (5), (6), and (7).

20.16 (f) The commissioner may use an order by the recipient's attending physician or a
20.17 medical or mental health professional to certify that the recipient requires nonemergency
20.18 medical transportation services. Nonemergency medical transportation providers shall
20.19 perform driver-assisted services for eligible individuals, when appropriate. Driver-assisted
20.20 service includes passenger pickup at and return to the individual's residence or place of
20.21 business, assistance with admittance of the individual to the medical facility, and assistance
20.22 in passenger securement or in securing of wheelchairs or stretchers in the vehicle.

20.23 Nonemergency medical transportation providers must have trip logs, which include pickup
20.24 and drop-off times, signed by the medical provider or client attesting mileage traveled to
20.25 obtain covered medical services, whichever is deemed most appropriate. Nonemergency
20.26 medical transportation providers may not bill for separate base rates for the continuation
20.27 of a trip beyond the original destination. Nonemergency medical transportation providers
20.28 must take clients to the health care provider, using the most direct route, and must not
20.29 exceed 30 miles for a trip to a primary care provider or 60 miles for a trip to a specialty
20.30 care provider, unless the client receives authorization from the local agency. The minimum
20.31 medical assistance reimbursement rates for special transportation services are:

20.32 (1)(i) \$17 for the base rate and \$1.35 per mile for special transportation services to
20.33 eligible persons who need a wheelchair-accessible van;

20.34 (ii) \$11.50 for the base rate and \$1.30 per mile for special transportation services to
20.35 eligible persons who do not need a wheelchair-accessible van; and

21.1 (iii) \$60 for the base rate and \$2.40 per mile, and an attendant rate of \$9 per trip,
21.2 for special transportation services to eligible persons who need a stretcher-accessible
21.3 vehicle; and

21.4 (2) clients requesting client mileage reimbursement must sign the trip log attesting
21.5 mileage traveled to obtain covered medical services.

21.6 (g) The covered modes of nonemergency medical transportation include
21.7 transportation provided directly by clients or family members of clients with their own
21.8 transportation, volunteers using their own vehicles, taxicabs, and public transit, or
21.9 provided to a client who needs a stretcher-accessible vehicle, a lift/ramp equipped vehicle,
21.10 or a vehicle that is not stretcher-accessible or lift/ramp equipped designed to transport ten
21.11 or fewer persons. Upon implementation of a new rate structure, a new covered mode of
21.12 nonemergency medical transportation shall include transportation provided to a client who
21.13 needs a protected vehicle that is not an ambulance or police car and has safety locks, a
21.14 video recorder, and a transparent thermoplastic partition between the passenger and the
21.15 vehicle driver.

21.16 (h) The administrative agency shall use the level of service process established by the
21.17 commissioner in consultation with the Nonemergency Medical Transportation Advisory
21.18 Committee to determine the client's most appropriate mode of transportation. If public
21.19 transit or a certified transportation provider is not available to provide the appropriate
21.20 service mode for the client, the client may receive a onetime service upgrade. The new
21.21 modes of transportation, which may not be implemented without a new rate structure, are:

21.22 (1) client reimbursement, which includes client mileage reimbursement provided
21.23 to clients who have their own transportation or family who provides transportation to
21.24 the client;

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

21.27 (3) unassisted transport, which includes transportation provided to a client by a
21.28 taxicab or public transit. If a taxicab or publicly operated transit system is not available,
21.29 the client can receive transportation from another nonemergency medical transportation
21.30 provider;

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

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

22.1 (6) protected transport, which includes transport to a client who has received a
22.2 prescreening that has deemed other forms of transportation inappropriate and who requires
22.3 a provider certified as a protected transport provider; and

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

22.7 (i) ~~In accordance with subdivision 18e, by July 1, 2016,~~ The local agency shall be
22.8 the single administrative agency and shall administer and reimburse for modes defined in
22.9 paragraph (h) according to a new rate structure, ~~once this is adopted~~ when the commissioner
22.10 has developed, made available, and funded the Web-based single administrative structure,
22.11 assessment tool, and level of need assessment under subdivision 18e. The local agency's
22.12 financial obligation is limited to funds provided by the state or the federal government.

22.13 (j) The commissioner shall:

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

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

22.18 (3) investigate all complaints and appeals.

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

22.24 (l) The base rates for special transportation services in areas defined under RUCA to
22.25 be super rural shall be equal to the reimbursement rate established in paragraph (f), clause
22.26 (1), plus 11.3 percent, and for special transportation services in areas defined under RUCA
22.27 to be rural or super rural areas:

22.28 (1) for a trip equal to 17 miles or less, mileage reimbursement shall be equal to 125
22.29 percent of the respective mileage rate in paragraph (f), clause (1); and

22.30 (2) for a trip between 18 and 50 miles, mileage reimbursement shall be equal to
22.31 112.5 percent of the respective mileage rate in paragraph (f), clause (1).

22.32 (m) For purposes of reimbursement rates for special transportation services under
22.33 paragraph (c), the zip code of the recipient's place of residence shall determine whether
22.34 the urban, rural, or super rural reimbursement rate applies.

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

23.4 (o) Effective for services provided on or after September 1, 2011, nonemergency
23.5 transportation rates, including special transportation, taxi, and other commercial carriers,
23.6 are reduced 4.5 percent. Payments made to managed care plans and county-based
23.7 purchasing plans must be reduced for services provided on or after January 1, 2012,
23.8 to reflect this reduction.

23.9 Sec. 13. Minnesota Statutes 2014, section 256B.0625, subdivision 28a, is amended to
23.10 read:

23.11 Subd. 28a. **Licensed physician assistant services.** (a) Medical assistance covers
23.12 services performed by a licensed physician assistant if the service is otherwise covered
23.13 under this chapter as a physician service and if the service is within the scope of practice
23.14 of a licensed physician assistant as defined in section 147A.09.

23.15 (b) Licensed physician assistants, who are supervised by a physician certified by
23.16 the American Board of Psychiatry and Neurology or eligible for board certification in
23.17 psychiatry, may bill for medication management and evaluation and management services
23.18 provided to medical assistance enrollees in inpatient hospital settings, and in outpatient
23.19 settings after the licensed physician assistant completes 2,000 hours of clinical experience
23.20 in the evaluation and treatment of mental health, consistent with their authorized scope of
23.21 practice, as defined in section 147A.09, with the exception of performing psychotherapy
23.22 or diagnostic assessments or providing clinical supervision.

23.23 Sec. 14. Minnesota Statutes 2014, section 256B.0625, subdivision 31, is amended to
23.24 read:

23.25 Subd. 31. **Medical supplies and equipment.** (a) Medical assistance covers medical
23.26 supplies and equipment. Separate payment outside of the facility's payment rate shall
23.27 be made for wheelchairs and wheelchair accessories for recipients who are residents
23.28 of intermediate care facilities for the developmentally disabled. Reimbursement for
23.29 wheelchairs and wheelchair accessories for ICF/DD recipients shall be subject to the same
23.30 conditions and limitations as coverage for recipients who do not reside in institutions. A
23.31 wheelchair purchased outside of the facility's payment rate is the property of the recipient.
23.32 ~~The commissioner may set reimbursement rates for specified categories of medical~~
23.33 ~~supplies at levels below the Medicare payment rate.~~

24.1 (b) Vendors of durable medical equipment, prosthetics, orthotics, or medical supplies
24.2 must enroll as a Medicare provider.

24.3 (c) When necessary to ensure access to durable medical equipment, prosthetics,
24.4 orthotics, or medical supplies, the commissioner may exempt a vendor from the Medicare
24.5 enrollment requirement if:

24.6 (1) the vendor supplies only one type of durable medical equipment, prosthetic,
24.7 orthotic, or medical supply;

24.8 (2) the vendor serves ten or fewer medical assistance recipients per year;

24.9 (3) the commissioner finds that other vendors are not available to provide same or
24.10 similar durable medical equipment, prosthetics, orthotics, or medical supplies; and

24.11 (4) the vendor complies with all screening requirements in this chapter and Code of
24.12 Federal Regulations, title 42, part 455. The commissioner may also exempt a vendor from
24.13 the Medicare enrollment requirement if the vendor is accredited by a Centers for Medicare
24.14 and Medicaid Services approved national accreditation organization as complying with
24.15 the Medicare program's supplier and quality standards and the vendor serves primarily
24.16 pediatric patients.

24.17 (d) Durable medical equipment means a device or equipment that:

24.18 (1) can withstand repeated use;

24.19 (2) is generally not useful in the absence of an illness, injury, or disability; and

24.20 (3) is provided to correct or accommodate a physiological disorder or physical
24.21 condition or is generally used primarily for a medical purpose.

24.22 (e) Electronic tablets may be considered durable medical equipment if the electronic
24.23 tablet will be used as an augmentative and alternative communication system as defined
24.24 under subdivision 31a, paragraph (a). To be covered by medical assistance, the device
24.25 must be locked in order to prevent use not related to communication.

24.26 Sec. 15. Minnesota Statutes 2014, section 256B.0625, subdivision 58, is amended to
24.27 read:

24.28 Subd. 58. **Early and periodic screening, diagnosis, and treatment services.**

24.29 Medical assistance covers early and periodic screening, diagnosis, and treatment services
24.30 (EPSDT). The payment amount for a complete EPSDT screening shall not include charges
24.31 for ~~vaccines~~ health care services and products that are available at no cost to the provider
24.32 and shall not exceed the rate established per Minnesota Rules, part 9505.0445, item M,
24.33 effective October 1, 2010.

25.1 Sec. 16. Minnesota Statutes 2014, section 256B.0631, is amended to read:

25.2 **256B.0631 MEDICAL ASSISTANCE CO-PAYMENTS.**

25.3 Subdivision 1. **Cost-sharing.** (a) Except as provided in subdivision 2, the medical
25.4 assistance benefit plan shall include the following cost-sharing for all recipients, effective
25.5 for services provided on or after September 1, 2011:

25.6 (1) \$3 per nonpreventive visit, except as provided in paragraph (b). For purposes
25.7 of this subdivision, a visit means an episode of service which is required because of
25.8 a recipient's symptoms, diagnosis, or established illness, and which is delivered in an
25.9 ambulatory setting by a physician or physician ancillary, chiropractor, podiatrist, nurse
25.10 midwife, advanced practice nurse, audiologist, optician, or optometrist;

25.11 (2) \$3.50 for nonemergency visits to a hospital-based emergency room, except that
25.12 this co-payment shall be increased to \$20 upon federal approval;

25.13 (3) \$3 per brand-name drug prescription and \$1 per generic drug prescription,
25.14 subject to a \$12 per month maximum for prescription drug co-payments. No co-payments
25.15 shall apply to antipsychotic drugs when used for the treatment of mental illness;

25.16 (4) ~~effective January 1, 2012, a family deductible equal to the maximum amount~~
25.17 ~~allowed under Code of Federal Regulations, title 42, part 447.54~~ \$2.75 per month per
25.18 family and adjusted annually by the percentage increase in the medical care component
25.19 of the CPI-U for the period of September to September of the preceding calendar year,
25.20 rounded to the next higher five-cent increment; and

25.21 (5) ~~for individuals identified by the commissioner with income at or below 100~~
25.22 ~~percent of the federal poverty guidelines, total monthly cost-sharing must not exceed five~~
25.23 ~~percent of family income. For purposes of this paragraph, family income is the total~~
25.24 ~~earned and unearned income of the individual and the individual's spouse, if the spouse is~~
25.25 ~~enrolled in medical assistance and also subject to the five percent limit on cost-sharing.~~
25.26 This paragraph does not apply to premiums charged to individuals described under section
25.27 256B.057, subdivision 9.

25.28 (b) Recipients of medical assistance are responsible for all co-payments and
25.29 deductibles in this subdivision.

25.30 (c) Notwithstanding paragraph (b), the commissioner, through the contracting
25.31 process under sections 256B.69 and 256B.692, may allow managed care plans and
25.32 county-based purchasing plans to waive the family deductible under paragraph (a),
25.33 clause (4). The value of the family deductible shall not be included in the capitation
25.34 payment to managed care plans and county-based purchasing plans. Managed care plans
25.35 and county-based purchasing plans shall certify annually to the commissioner the dollar
25.36 value of the family deductible.

26.1 (d) Notwithstanding paragraph (b), the commissioner may waive the collection of
26.2 the family deductible described under paragraph (a), clause (4), from individuals and
26.3 allow long-term care and waived service providers to assume responsibility for payment.

26.4 (e) Notwithstanding paragraph (b), the commissioner, through the contracting
26.5 process under section 256B.0756 shall allow the pilot program in Hennepin County to
26.6 waive co-payments. The value of the co-payments shall not be included in the capitation
26.7 payment amount to the integrated health care delivery networks under the pilot program.

26.8 Subd. 2. **Exceptions.** Co-payments and deductibles shall be subject to the following
26.9 exceptions:

26.10 (1) children under the age of 21;

26.11 (2) pregnant women for services that relate to the pregnancy or any other medical
26.12 condition that may complicate the pregnancy;

26.13 (3) recipients expected to reside for at least 30 days in a hospital, nursing home, or
26.14 intermediate care facility for the developmentally disabled;

26.15 (4) recipients receiving hospice care;

26.16 (5) 100 percent federally funded services provided by an Indian health service;

26.17 (6) emergency services;

26.18 (7) family planning services;

26.19 (8) services that are paid by Medicare, resulting in the medical assistance program
26.20 paying for the coinsurance and deductible;

26.21 (9) co-payments that exceed one per day per provider for nonpreventive visits,
26.22 eyeglasses, and nonemergency visits to a hospital-based emergency room; ~~and~~

26.23 (10) services, fee-for-service payments subject to volume purchase through
26.24 competitive bidding;

26.25 (11) American Indians who meet the requirements in Code of Federal Regulations,
26.26 title 42, section 447.51;

26.27 (12) persons needing treatment for breast or cervical cancer as described under
26.28 section 256B.057, subdivision 10; and

26.29 (13) services that currently have a rating of A or B from the United States Preventive
26.30 Services Task Force (USPSTF), immunizations recommended by the Advisory Committee
26.31 on Immunization Practices of the Centers for Disease Control and Prevention, and
26.32 preventive services and screenings provided to women as described in Code of Federal
26.33 Regulations, title 45, section 147.130.

26.34 Subd. 3. **Collection.** (a) The medical assistance reimbursement to the provider shall
26.35 be reduced by the amount of the co-payment or deductible, except that reimbursements
26.36 shall not be reduced:

27.1 (1) once a recipient has reached the \$12 per month maximum for prescription drug
27.2 co-payments; or

27.3 (2) for a recipient ~~identified by the commissioner under 100 percent of the federal~~
27.4 ~~poverty guidelines~~ who has met their monthly five percent cost-sharing limit.

27.5 (b) The provider collects the co-payment or deductible from the recipient. Providers
27.6 may not deny services to recipients who are unable to pay the co-payment or deductible.

27.7 (c) Medical assistance reimbursement to fee-for-service providers and payments to
27.8 managed care plans shall not be increased as a result of the removal of co-payments or
27.9 deductibles effective on or after January 1, 2009.

27.10 **EFFECTIVE DATE.** The amendment to subdivision 1, paragraph (a), clause (4), is
27.11 effective retroactively from January 1, 2014.

27.12 Sec. 17. Minnesota Statutes 2014, section 256B.0644, is amended to read:

27.13 **256B.0644 REIMBURSEMENT UNDER OTHER STATE HEALTH CARE**
27.14 **PROGRAMS.**

27.15 (a) A vendor of medical care, as defined in section 256B.02, subdivision 7, and a
27.16 health maintenance organization, as defined in chapter 62D, must participate as a provider
27.17 or contractor in the medical assistance program and MinnesotaCare as a condition of
27.18 participating as a provider in health insurance plans and programs or contractor for state
27.19 employees established under section 43A.18, the public employees insurance program
27.20 under section 43A.316, for health insurance plans offered to local statutory or home
27.21 rule charter city, county, and school district employees, the workers' compensation
27.22 system under section 176.135, and insurance plans provided through the Minnesota
27.23 Comprehensive Health Association under sections 62E.01 to 62E.19. The limitations
27.24 on insurance plans offered to local government employees shall not be applicable in
27.25 geographic areas where provider participation is limited by managed care contracts
27.26 with the Department of Human Services. This section does not apply to dental service
27.27 providers providing dental services outside the seven-county metropolitan area.

27.28 (b) For providers other than health maintenance organizations, participation in the
27.29 medical assistance program means that:

27.30 (1) the provider accepts new medical assistance and MinnesotaCare patients;

27.31 (2) for providers other than dental service providers, at least 20 percent of the
27.32 provider's patients are covered by medical assistance and MinnesotaCare as their primary
27.33 source of coverage; or

28.1 (3) for dental service providers providing dental services in the seven-county
28.2 metropolitan area, at least ten percent of the provider's patients are covered by medical
28.3 assistance and MinnesotaCare as their primary source of coverage, or the provider accepts
28.4 new medical assistance and MinnesotaCare patients who are children with special health
28.5 care needs. For purposes of this section, "children with special health care needs" means
28.6 children up to age 18 who: (i) require health and related services beyond that required
28.7 by children generally; and (ii) have or are at risk for a chronic physical, developmental,
28.8 behavioral, or emotional condition, including: bleeding and coagulation disorders;
28.9 immunodeficiency disorders; cancer; endocrinopathy; developmental disabilities;
28.10 epilepsy, cerebral palsy, and other neurological diseases; visual impairment or deafness;
28.11 Down syndrome and other genetic disorders; autism; fetal alcohol syndrome; and other
28.12 conditions designated by the commissioner after consultation with representatives of
28.13 pediatric dental providers and consumers.

28.14 (c) Patients seen on a volunteer basis by the provider at a location other than
28.15 the provider's usual place of practice may be considered in meeting the participation
28.16 requirement in this section. The commissioner shall establish participation requirements
28.17 for health maintenance organizations. The commissioner shall provide lists of participating
28.18 medical assistance providers on a quarterly basis to the commissioner of management and
28.19 budget, the commissioner of labor and industry, and the commissioner of commerce. Each
28.20 of the commissioners shall develop and implement procedures to exclude as participating
28.21 providers in the program or programs under their jurisdiction those providers who do
28.22 not participate in the medical assistance program. The commissioner of management
28.23 and budget shall implement this section through contracts with participating health and
28.24 dental carriers.

28.25 (d) A volunteer dentist who has signed a volunteer agreement under section
28.26 256B.0625, subdivision 9a, shall not be considered to be participating in medical
28.27 assistance or MinnesotaCare for the purpose of this section.

28.28 **EFFECTIVE DATE.** This section is effective upon receipt of any necessary federal
28.29 waiver or approval. The commissioner of human services shall notify the revisor of
28.30 statutes if a federal waiver or approval is sought and, if sought, when a federal waiver
28.31 or approval is obtained.

28.32 **Sec. 18. [256B.0758] HEALTH CARE DELIVERY PILOT PROGRAM.**

28.33 (a) The commissioner may establish a health care delivery pilot program to test
28.34 alternative and innovative integrated health care delivery networks, including accountable
28.35 care organizations or a community-based collaborative care network created by or

29.1 including North Memorial Health Care. If required, the commissioner shall seek federal
29.2 approval of a new waiver request or amend an existing demonstration pilot project waiver.

29.3 (b) Individuals eligible for the pilot program shall be individuals who are eligible for
29.4 medical assistance under section 256B.055. The commissioner may identify individuals
29.5 to be enrolled in the pilot program based on zip code or whether the individuals would
29.6 benefit from an integrated health care delivery network.

29.7 (c) In developing a payment system for the pilot programs, the commissioner shall
29.8 establish a total cost of care for the individuals enrolled in the pilot program that equals
29.9 the cost of care that would otherwise be spent for these enrollees in the prepaid medical
29.10 assistance program.

29.11 Sec. 19. Minnesota Statutes 2014, section 256B.69, subdivision 5a, is amended to read:

29.12 Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section
29.13 and section 256L.12 shall be entered into or renewed on a calendar year basis. The
29.14 commissioner may issue separate contracts with requirements specific to services to
29.15 medical assistance recipients age 65 and older.

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

29.21 (c) The commissioner shall withhold five percent of managed care plan payments
29.22 under this section and county-based purchasing plan payments under section 256B.692
29.23 for the prepaid medical assistance program pending completion of performance targets.
29.24 Each performance target must be quantifiable, objective, measurable, and reasonably
29.25 attainable, except in the case of a performance target based on a federal or state law
29.26 or rule. Criteria for assessment of each performance target must be outlined in writing
29.27 prior to the contract effective date. Clinical or utilization performance targets and their
29.28 related criteria must consider evidence-based research and reasonable interventions when
29.29 available or applicable to the populations served, and must be developed with input from
29.30 external clinical experts and stakeholders, including managed care plans, county-based
29.31 purchasing plans, and providers. The managed care or county-based purchasing plan
29.32 must demonstrate, to the commissioner's satisfaction, that the data submitted regarding
29.33 attainment of the performance target is accurate. The commissioner shall periodically
29.34 change the administrative measures used as performance targets in order to improve plan
29.35 performance across a broader range of administrative services. The performance targets

30.1 must include measurement of plan efforts to contain spending on health care services and
30.2 administrative activities. The commissioner may adopt plan-specific performance targets
30.3 that take into account factors affecting only one plan, including characteristics of the
30.4 plan's enrollee population. The withheld funds must be returned no sooner than July of the
30.5 following year if performance targets in the contract are achieved. The commissioner may
30.6 exclude special demonstration projects under subdivision 23.

30.7 (d) The commissioner shall require that managed care plans use the assessment and
30.8 authorization processes, forms, timelines, standards, documentation, and data reporting
30.9 requirements, protocols, billing processes, and policies consistent with medical assistance
30.10 fee-for-service or the Department of Human Services contract requirements consistent
30.11 with medical assistance fee-for-service or the Department of Human Services contract
30.12 requirements for all personal care assistance services under section 256B.0659.

30.13 (e) Effective for services rendered on or after January 1, 2012, the commissioner
30.14 shall include as part of the performance targets described in paragraph (c) a reduction
30.15 in the health plan's emergency department utilization rate for medical assistance and
30.16 MinnesotaCare enrollees, as determined by the commissioner. For 2012, the reduction
30.17 shall be based on the health plan's utilization in 2009. To earn the return of the withhold
30.18 each subsequent year, the managed care plan or county-based purchasing plan must
30.19 achieve a qualifying reduction of no less than ten percent of the plan's emergency
30.20 department utilization rate for medical assistance and MinnesotaCare enrollees, excluding
30.21 enrollees in programs described in subdivisions 23 and 28, compared to the previous
30.22 measurement year until the final performance target is reached. When measuring
30.23 performance, the commissioner must consider the difference in health risk in a managed
30.24 care or county-based purchasing plan's membership in the baseline year compared to the
30.25 measurement year, and work with the managed care or county-based purchasing plan to
30.26 account for differences that they agree are significant.

30.27 The withheld funds must be returned no sooner than July 1 and no later than July 31
30.28 of the following calendar year if the managed care plan or county-based purchasing plan
30.29 demonstrates to the satisfaction of the commissioner that a reduction in the utilization rate
30.30 was achieved. The commissioner shall structure the withhold so that the commissioner
30.31 returns a portion of the withheld funds in amounts commensurate with achieved reductions
30.32 in utilization less than the targeted amount.

30.33 The withhold described in this paragraph shall continue for each consecutive contract
30.34 period until the plan's emergency room utilization rate for state health care program
30.35 enrollees is reduced by 25 percent of the plan's emergency room utilization rate for medical
30.36 assistance and MinnesotaCare enrollees for calendar year 2009. Hospitals shall cooperate

31.1 with the health plans in meeting this performance target and shall accept payment
31.2 withholds that may be returned to the hospitals if the performance target is achieved.

31.3 (f) Effective for services rendered on or after January 1, 2012, the commissioner
31.4 shall include as part of the performance targets described in paragraph (c) a reduction
31.5 in the plan's hospitalization admission rate for medical assistance and MinnesotaCare
31.6 enrollees, as determined by the commissioner. To earn the return of the withhold each
31.7 year, the managed care plan or county-based purchasing plan must achieve a qualifying
31.8 reduction of no less than five percent of the plan's hospital admission rate for medical
31.9 assistance and MinnesotaCare enrollees, excluding enrollees in programs described in
31.10 subdivisions 23 and 28, compared to the previous calendar year until the final performance
31.11 target is reached. When measuring performance, the commissioner must consider the
31.12 difference in health risk in a managed care or county-based purchasing plan's membership
31.13 in the baseline year compared to the measurement year, and work with the managed care
31.14 or county-based purchasing plan to account for differences that they agree are significant.

31.15 The withheld funds must be returned no sooner than July 1 and no later than July
31.16 31 of the following calendar year if the managed care plan or county-based purchasing
31.17 plan demonstrates to the satisfaction of the commissioner that this reduction in the
31.18 hospitalization rate was achieved. The commissioner shall structure the withhold so that
31.19 the commissioner returns a portion of the withheld funds in amounts commensurate with
31.20 achieved reductions in utilization less than the targeted amount.

31.21 The withhold described in this paragraph shall continue until there is a 25 percent
31.22 reduction in the hospital admission rate compared to the hospital admission rates in
31.23 calendar year 2011, as determined by the commissioner. The hospital admissions in this
31.24 performance target do not include the admissions applicable to the subsequent hospital
31.25 admission performance target under paragraph (g). Hospitals shall cooperate with the
31.26 plans in meeting this performance target and shall accept payment withholds that may be
31.27 returned to the hospitals if the performance target is achieved.

31.28 (g) Effective for services rendered on or after January 1, 2012, the commissioner
31.29 shall include as part of the performance targets described in paragraph (c) a reduction in
31.30 the plan's hospitalization admission rates for subsequent hospitalizations within 30 days of
31.31 a previous hospitalization of a patient regardless of the reason, for medical assistance and
31.32 MinnesotaCare enrollees, as determined by the commissioner. To earn the return of the
31.33 withhold each year, the managed care plan or county-based purchasing plan must achieve
31.34 a qualifying reduction of the subsequent hospitalization rate for medical assistance and
31.35 MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23

32.1 and 28, of no less than five percent compared to the previous calendar year until the
32.2 final performance target is reached.

32.3 The withheld funds must be returned no sooner than July 1 and no later than July
32.4 31 of the following calendar year if the managed care plan or county-based purchasing
32.5 plan demonstrates to the satisfaction of the commissioner that a qualifying reduction in
32.6 the subsequent hospitalization rate was achieved. The commissioner shall structure the
32.7 withhold so that the commissioner returns a portion of the withheld funds in amounts
32.8 commensurate with achieved reductions in utilization less than the targeted amount.

32.9 The withhold described in this paragraph must continue for each consecutive
32.10 contract period until the plan's subsequent hospitalization rate for medical assistance and
32.11 MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23
32.12 and 28, is reduced by 25 percent of the plan's subsequent hospitalization rate for calendar
32.13 year 2011. Hospitals shall cooperate with the plans in meeting this performance target and
32.14 shall accept payment withholds that must be returned to the hospitals if the performance
32.15 target is achieved.

32.16 (h) Effective for services rendered on or after January 1, 2013, through December
32.17 31, 2013, the commissioner shall withhold 4.5 percent of managed care plan payments
32.18 under this section and county-based purchasing plan payments under section 256B.692
32.19 for the prepaid medical assistance program. The withheld funds must be returned no
32.20 sooner than July 1 and no later than July 31 of the following year. The commissioner may
32.21 exclude special demonstration projects under subdivision 23.

32.22 (i) Effective for services rendered on or after January 1, 2014, the commissioner
32.23 shall withhold three percent of managed care plan payments under this section and
32.24 county-based purchasing plan payments under section 256B.692 for the prepaid medical
32.25 assistance program. The withheld funds must be returned no sooner than July 1 and
32.26 no later than July 31 of the following year. The commissioner may exclude special
32.27 demonstration projects under subdivision 23.

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

32.31 (k) Contracts between the commissioner and a prepaid health plan are exempt from
32.32 the set-aside and preference provisions of section 16C.16, subdivisions 6, paragraph
32.33 (a), and 7.

32.34 (l) The return of the withhold under paragraphs (h) and (i) is not subject to the
32.35 requirements of paragraph (c).

33.1 (m) Managed care plans and county-based purchasing plans shall maintain current
33.2 and fully executed agreements for all subcontractors, including bargaining groups, for
33.3 administrative services that are expensed to the state's public programs. Subcontractor
33.4 agreements of over \$200,000 in annual payments must be in the form of a written
33.5 instrument or electronic document containing the elements of offer, acceptance, and
33.6 consideration, and must clearly indicate how the agreements relate to state public
33.7 programs. Upon request, the commissioner shall have access to all subcontractor
33.8 documentation under this paragraph. Nothing in this paragraph shall allow release of
33.9 information that is nonpublic data pursuant to section 13.02.

33.10 Sec. 20. Minnesota Statutes 2014, section 256B.69, subdivision 5i, is amended to read:

33.11 Subd. 5i. **Administrative expenses.** ~~(a) Managed care plan and county-based~~
33.12 ~~purchasing plan~~ Administrative costs for a prepaid health plan provided paid to managed
33.13 care plans and county-based purchasing plans under this section or, section 256B.692, and
33.14 section 256L.12 must not exceed by more than five 6.6 percent that prepaid health plan's or
33.15 county-based purchasing plan's actual calculated administrative spending for the previous
33.16 calendar year as a percentage of total revenue of total payments expected to be made to
33.17 all managed care plans and county-based purchasing plans in aggregate across all state
33.18 public programs at the beginning of each calendar year. The penalty for exceeding this
33.19 limit must be the amount of administrative spending in excess of 105 percent of the actual
33.20 calculated amount. The commissioner may waive this penalty if the excess administrative
33.21 spending is the result of unexpected shifts in enrollment or member needs or new program
33.22 requirements. The commissioner may reduce or eliminate administrative requirements to
33.23 meet the administrative cost limit. For purposes of this paragraph, administrative costs do
33.24 not include any state or federal taxes, surcharges, or assessments.

33.25 (b) The following expenses are not allowable administrative expenses for rate-setting
33.26 purposes under this section:

33.27 (1) charitable contributions made by the managed care plan or the county-based
33.28 purchasing plan;

33.29 (2) ~~any portion of an individual's compensation in excess of \$200,000 paid by the~~
33.30 managed care plan or county-based purchasing plan compensation of individuals within
33.31 the organization, other than the medical director, in excess of \$200,000 such that the
33.32 allocation of compensation for an individual across all state public programs in total
33.33 cannot exceed \$200,000;

33.34 (3) any penalties or fines assessed against the managed care plan or county-based
33.35 purchasing plan; and

34.1 (4) any indirect marketing or advertising expenses of the managed care plan or
34.2 county-based purchasing plan: for marketing that does not specifically target state public
34.3 programs beneficiaries and that has not been approved by the commissioner;

34.4 (5) any lobbying and political activities, events, or contributions;

34.5 (6) administrative expenses related to the provision of services not covered under
34.6 the state plan or waiver;

34.7 (7) alcoholic beverages and related costs;

34.8 (8) membership in any social, dining, or country club or organization; and

34.9 (9) entertainment, including amusement, diversion, and social activities, and any
34.10 costs directly associated with these costs, including but not limited to tickets to shows or
34.11 sporting events, meals, lodging, rentals, transportation, and gratuities.

34.12 For the purposes of this subdivision, compensation includes salaries, bonuses and
34.13 incentives, other reportable compensation on an IRS 990 form, retirement and other
34.14 deferred compensation, and nontaxable benefits. Contributions include payments for
34.15 or to any organization or entity selected by the health maintenance organization that
34.16 is operated for charitable, educational, political, religious, or scientific purposes and
34.17 not related to the provision of medical and administrative services covered under the
34.18 state public programs, except to the extent that they improve access to or the quality of
34.19 covered services for state public programs beneficiaries, or improve the health status of
34.20 state public programs beneficiaries.

34.21 (c) Administrative expenses must be reported using the formats designated by the
34.22 commissioner as part of the rate-setting process and must include, at a minimum, the
34.23 following categories:

34.24 (1) employee benefit expenses;

34.25 (2) sales expenses;

34.26 (3) general business and office expenses;

34.27 (4) taxes and assessments;

34.28 (5) consulting and professional fees; and

34.29 (6) outsourced services.

34.30 Definitions of items to be included in each category shall be provided by the commissioner
34.31 with quarterly financial filing requirements and shall be aligned with definitions used
34.32 by the Departments of Commerce and Health in financial reporting for commercial
34.33 carriers. Where reasonably possible, expenses for an administrative item shall be directly
34.34 allocated so as to assign costs for an item to an individual state public program when the
34.35 cost can be specifically identified with and benefits the individual state public program.
34.36 For administrative services expensed to the state's public programs, managed care plans

35.1 and county-based purchasing plans must clearly identify and separately record expense
35.2 items listed under paragraph (b) in their accounting systems in a manner that allows for
35.3 independent verification of unallowable expenses for purposes of determining payment
35.4 rates for state public programs.

35.5 (d) The administrative expenses requirement of this subdivision also apply to
35.6 demonstration providers under section 256B.0755.

35.7 Sec. 21. Minnesota Statutes 2014, section 256B.69, subdivision 9c, is amended to read:

35.8 Subd. 9c. **Managed care financial reporting.** (a) The commissioner shall collect
35.9 detailed data regarding financials, provider payments, provider rate methodologies, and
35.10 other data as determined by the commissioner. The commissioner, in consultation with the
35.11 commissioners of health and commerce, and in consultation with managed care plans and
35.12 county-based purchasing plans, shall set uniform criteria, definitions, and standards for the
35.13 data to be submitted, and shall require managed care and county-based purchasing plans
35.14 to comply with these criteria, definitions, and standards when submitting data under this
35.15 section. In carrying out the responsibilities of this subdivision, the commissioner shall
35.16 ensure that the data collection is implemented in an integrated and coordinated manner
35.17 that avoids unnecessary duplication of effort. To the extent possible, the commissioner
35.18 shall use existing data sources and streamline data collection in order to reduce public
35.19 and private sector administrative costs. Nothing in this subdivision shall allow release of
35.20 information that is nonpublic data pursuant to section 13.02.

35.21 (b) Effective January 1, 2014, each managed care and county-based purchasing plan
35.22 must quarterly provide to the commissioner the following information on state public
35.23 programs, in the form and manner specified by the commissioner, according to guidelines
35.24 developed by the commissioner in consultation with managed care plans and county-based
35.25 purchasing plans under contract:

35.26 (1) an income statement by program;

35.27 (2) financial statement footnotes;

35.28 (3) quarterly profitability by program and population group;

35.29 (4) a medical liability summary by program and population group;

35.30 (5) received but unpaid claims report by program;

35.31 (6) services versus payment lags by program for hospital services, outpatient
35.32 services, physician services, other medical services, and pharmaceutical benefits;

35.33 (7) utilization reports that summarize utilization and unit cost information by
35.34 program for hospitalization services, outpatient services, physician services, and other
35.35 medical services;

- 36.1 (8) pharmaceutical statistics by program and population group for measures of price
36.2 and utilization of pharmaceutical services;
- 36.3 (9) subcapitation expenses by population group;
- 36.4 (10) third-party payments by program;
- 36.5 (11) all new, active, and closed subrogation cases by program;
- 36.6 (12) all new, active, and closed fraud and abuse cases by program;
- 36.7 (13) medical loss ratios by program;
- 36.8 (14) administrative expenses by category and subcategory by program that reconcile
36.9 to other state and federal regulatory agencies;
- 36.10 (15) revenues by program, including investment income;
- 36.11 (16) nonadministrative service payments, provider payments, and reimbursement
36.12 rates by provider type or service category, by program, paid by the managed care plan
36.13 under this section or the county-based purchasing plan under section 256B.692 to
36.14 providers and vendors for administrative services under contract with the plan, including
36.15 but not limited to:
- 36.16 (i) individual-level provider payment and reimbursement rate data;
- 36.17 (ii) provider reimbursement rate methodologies by provider type, by program,
36.18 including a description of alternative payment arrangements and payments outside the
36.19 claims process;
- 36.20 (iii) data on implementation of legislatively mandated provider rate changes; and
- 36.21 (iv) individual-level provider payment and reimbursement rate data and plan-specific
36.22 provider reimbursement rate methodologies by provider type, by program, including
36.23 alternative payment arrangements and payments outside the claims process, provided to
36.24 the commissioner under this subdivision are nonpublic data as defined in section 13.02;
- 36.25 (17) data on the amount of reinsurance or transfer of risk by program; and
- 36.26 (18) contribution to reserve, by program.
- 36.27 (c) In the event a report is published or released based on data provided under
36.28 this subdivision, the commissioner shall provide the report to managed care plans and
36.29 county-based purchasing plans 15 days prior to the publication or release of the report.
36.30 Managed care plans and county-based purchasing plans shall have 15 days to review the
36.31 report and provide comment to the commissioner.
- 36.32 The quarterly reports shall be submitted to the commissioner no later than 60 days after the
36.33 end of the previous quarter, except the fourth-quarter report, which shall be submitted by
36.34 April 1 of each year. The fourth-quarter report shall include audited financial statements,
36.35 parent company audited financial statements, an income statement reconciliation report,

37.1 and any other documentation necessary to reconcile the detailed reports to the audited
37.2 financial statements.

37.3 (d) Managed care plans and county-based purchasing plans shall certify to the
37.4 commissioner, for the purpose of managed care financial reporting for state public
37.5 health care programs under this subdivision, that costs related to state public health care
37.6 programs include only services covered under the state plan and waivers, and related
37.7 allowable administrative expenses. Managed care plans and county-based purchasing
37.8 plans shall certify and report to the commissioner the dollar value of any unallowable and
37.9 nonstate plan services, including both medical and administrative expenditures, for the
37.10 purposes of managed care financial reporting under this subdivision.

37.11 (e) The financial reporting requirements of this subdivision also apply to
37.12 demonstration providers under section 256B.0755.

37.13 Sec. 22. Minnesota Statutes 2014, section 256B.69, subdivision 9d, is amended to read:

37.14 Subd. 9d. **Financial audit and quality assurance audits.** ~~(a) The legislative~~
37.15 ~~auditor shall contract with an audit firm to conduct a biennial independent third-party~~
37.16 ~~financial audit of the information required to be provided by managed care plans and~~
37.17 ~~county-based purchasing plans under subdivision 9c, paragraph (b). The audit shall be~~
37.18 ~~conducted in accordance with generally accepted government auditing standards issued~~
37.19 ~~by the United States Government Accountability Office. The contract with the audit~~
37.20 ~~firm shall be designed and administered so as to render the independent third-party audit~~
37.21 ~~eligible for a federal subsidy, if available. The contract shall require the audit to include~~
37.22 ~~a determination of compliance with the federal Medicaid rate certification process. The~~
37.23 ~~contract shall require the audit to determine if the administrative expenses and investment~~
37.24 ~~income reported by the managed care plans and county-based purchasing plans are~~
37.25 ~~compliant with state and federal law.~~

37.26 ~~(b) For purposes of this subdivision, "independent third party" means an audit firm~~
37.27 ~~that is independent in accordance with government auditing standards issued by the United~~
37.28 ~~States Government Accountability Office and licensed in accordance with chapter 326A.~~
37.29 ~~An audit firm under contract to provide services in accordance with this subdivision must~~
37.30 ~~not have provided services to a managed care plan or county-based purchasing plan during~~
37.31 ~~the period for which the audit is being conducted.~~

37.32 ~~(c) (a)~~ (e) (a) The commissioner shall require, in the request for bids and resulting contracts
37.33 with managed care plans and county-based purchasing plans under this section and
37.34 section 256B.692, that each managed care plan and county-based purchasing plan submit
37.35 to and fully cooperate with the independent third-party financial ~~audit audits~~ audits by the

38.1 legislative auditor under subdivision 9e of the information required under subdivision 9c,
38.2 paragraph (b). Each contract with a managed care plan or county-based purchasing plan
38.3 under this section or section 256B.692 must provide the commissioner and the ~~audit firm~~
38.4 vendors contracting with the legislative auditor access to all data required to complete
38.5 ~~the audit. For purposes of this subdivision, the contracting audit firm shall have the same~~
38.6 ~~investigative power as the legislative auditor under section 3.978, subdivision 2~~ audits
38.7 under subdivision 9e.

38.8 (d) ~~(b)~~ Each managed care plan and county-based purchasing plan providing services
38.9 under this section shall provide to the commissioner biweekly encounter data and claims
38.10 data for state public health care programs and shall participate in a quality assurance
38.11 program that verifies the timeliness, completeness, accuracy, and consistency of the data
38.12 provided. The commissioner shall develop written protocols for the quality assurance
38.13 program and shall make the protocols publicly available. The commissioner shall contract
38.14 for an independent third-party audit to evaluate the quality assurance protocols as to
38.15 the capacity of the protocols to ensure complete and accurate data and to evaluate the
38.16 commissioner's implementation of the protocols. ~~The audit firm under contract to provide~~
38.17 ~~this evaluation must meet the requirements in paragraph (b).~~

38.18 (e) ~~Upon completion of the audit under paragraph (a) and receipt by the legislative~~
38.19 ~~auditor, the legislative auditor shall provide copies of the audit report to the commissioner,~~
38.20 ~~the state auditor, the attorney general, and the chairs and ranking minority members of the~~
38.21 ~~health and human services finance committees of the legislature.~~ (c) Upon completion
38.22 of the evaluation under paragraph ~~(d)~~ (b), the commissioner shall provide copies of the
38.23 report to the legislative auditor and the chairs and ranking minority members of the ~~health~~
38.24 ~~finance committees of the legislature~~ legislative committees with jurisdiction over health
38.25 care policy and financing.

38.26 (f) ~~(d)~~ Any actuary under contract with the commissioner to provide actuarial
38.27 services must meet the independence requirements under the professional code for fellows
38.28 in the Society of Actuaries and must not have provided actuarial services to a managed
38.29 care plan or county-based purchasing plan that is under contract with the commissioner
38.30 pursuant to this section and section 256B.692 during the period in which the actuarial
38.31 services are being provided. An actuary or actuarial firm meeting the requirements
38.32 of this paragraph must certify and attest to the rates paid to the managed care plans
38.33 and county-based purchasing plans under this section and section 256B.692, and the
38.34 certification and attestation must be auditable.

38.35 (e) The commissioner may conduct ad hoc audits of the state public programs
38.36 administrative and medical expenses of managed care organizations and county-based

39.1 purchasing plans. This includes: financial and encounter data reported to the commissioner
39.2 under subdivision 9c, including payments to providers and subcontractors; supporting
39.3 documentation for expenditures; categorization of administrative and medical expenses;
39.4 and allocation methods used to attribute administrative expenses to state public programs.
39.5 These audits also must monitor compliance with data and financial certifications provided
39.6 to the commissioner for the purposes of managed care capitation payment rate-setting.
39.7 The managed care plans and county-based purchasing plans shall fully cooperate with the
39.8 audits in this subdivision.

39.9 ~~(g)~~ (f) Nothing in this subdivision shall allow the release of information that is
39.10 nonpublic data pursuant to section 13.02.

39.11 (g) The audit requirements of this subdivision also apply to demonstration providers
39.12 under section 256B.0755.

39.13 Sec. 23. Minnesota Statutes 2014, section 256B.69, is amended by adding a
39.14 subdivision to read:

39.15 Subd. 9e. **Financial audits.** (a) The legislative auditor shall contract with vendors
39.16 to conduct independent third-party financial audits of the Department of Human Services'
39.17 use of the information required to be provided by managed care plans and county-based
39.18 purchasing plans under subdivision 9c, paragraph (b). The audits by the vendors shall
39.19 be conducted as vendor resources permit and in accordance with generally accepted
39.20 government auditing standards issued by the United States Government Accountability
39.21 Office. The contract with the vendors shall be designed and administered so as to render
39.22 the independent third-party audits eligible for a federal subsidy, if available. The contract
39.23 shall require the audits to include a determination of compliance by the Department of
39.24 Human Services with the federal Medicaid rate certification process.

39.25 (b) For purposes of this subdivision, "independent third-party" means a vendor that
39.26 is independent in accordance with government auditing standards issued by the United
39.27 States Government Accountability Office.

39.28 Sec. 24. Minnesota Statutes 2014, section 256B.75, is amended to read:

39.29 **256B.75 HOSPITAL OUTPATIENT REIMBURSEMENT.**

39.30 (a) For outpatient hospital facility fee payments for services rendered on or after
39.31 October 1, 1992, the commissioner of human services shall pay the lower of (1) submitted
39.32 charge, or (2) 32 percent above the rate in effect on June 30, 1992, except for those
39.33 services for which there is a federal maximum allowable payment. Effective for services
39.34 rendered on or after January 1, 2000, payment rates for nonsurgical outpatient hospital

40.1 facility fees and emergency room facility fees shall be increased by eight percent over the
40.2 rates in effect on December 31, 1999, except for those services for which there is a federal
40.3 maximum allowable payment. Services for which there is a federal maximum allowable
40.4 payment shall be paid at the lower of (1) submitted charge, or (2) the federal maximum
40.5 allowable payment. Total aggregate payment for outpatient hospital facility fee services
40.6 shall not exceed the Medicare upper limit. If it is determined that a provision of this
40.7 section conflicts with existing or future requirements of the United States government with
40.8 respect to federal financial participation in medical assistance, the federal requirements
40.9 prevail. The commissioner may, in the aggregate, prospectively reduce payment rates to
40.10 avoid reduced federal financial participation resulting from rates that are in excess of
40.11 the Medicare upper limitations.

40.12 (b) Notwithstanding paragraph (a), payment for outpatient, emergency, and
40.13 ambulatory surgery hospital facility fee services for critical access hospitals designated
40.14 under section 144.1483, clause (9), shall be paid on a cost-based payment system that is
40.15 based on the cost-finding methods and allowable costs of the Medicare program.

40.16 (c) Effective for services provided on or after July 1, 2003, rates that are based
40.17 on the Medicare outpatient prospective payment system shall be replaced by a budget
40.18 neutral prospective payment system that is derived using medical assistance data. The
40.19 commissioner shall provide a proposal to the 2003 legislature to define and implement
40.20 this provision.

40.21 (d) For fee-for-service services provided on or after July 1, 2002, the total payment,
40.22 before third-party liability and spenddown, made to hospitals for outpatient hospital
40.23 facility services is reduced by .5 percent from the current statutory rate.

40.24 (e) In addition to the reduction in paragraph (d), the total payment for fee-for-service
40.25 services provided on or after July 1, 2003, made to hospitals for outpatient hospital
40.26 facility services before third-party liability and spenddown, is reduced five percent from
40.27 the current statutory rates. Facilities defined under section 256.969, subdivision 16, are
40.28 excluded from this paragraph.

40.29 (f) In addition to the reductions in paragraphs (d) and (e), the total payment for
40.30 fee-for-service services provided on or after July 1, 2008, made to hospitals for outpatient
40.31 hospital facility services before third-party liability and spenddown, is reduced three
40.32 percent from the current statutory rates. Mental health services and facilities defined under
40.33 section 256.969, subdivision 16, are excluded from this paragraph.

40.34 (g) Effective for services provided on or after July 1, 2015, rates established for
40.35 critical access hospitals under paragraph (b) for the applicable payment year shall be the
40.36 final payment and shall not be settled to actual costs.

41.1 Sec. 25. Minnesota Statutes 2014, section 256B.76, subdivision 1, is amended to read:

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

41.5 (1) payment for level one Centers for Medicare and Medicaid Services' common
41.6 procedural coding system codes titled "office and other outpatient services," "preventive
41.7 medicine new and established patient," "delivery, antepartum, and postpartum care,"
41.8 "critical care," cesarean delivery and pharmacologic management provided to psychiatric
41.9 patients, and level three codes for enhanced services for prenatal high risk, shall be paid
41.10 at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June
41.11 30, 1992. If the rate on any procedure code within these categories is different than the
41.12 rate that would have been paid under the methodology in section 256B.74, subdivision 2,
41.13 then the larger rate shall be paid;

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

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

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

41.25 (c) Effective for services rendered on or after July 1, 2009, payment rates for
41.26 physician and professional services shall be reduced by five percent, except that for the
41.27 period July 1, 2009, through June 30, 2010, payment rates shall be reduced by 6.5 percent
41.28 for the medical assistance and general assistance medical care programs, over the rates in
41.29 effect on June 30, 2009. This reduction and the reductions in paragraph (d) do not apply
41.30 to office or other outpatient visits, preventive medicine visits and family planning visits
41.31 billed by physicians, advanced practice nurses, or physician assistants in a family planning
41.32 agency or in one of the following primary care practices: general practice, general internal
41.33 medicine, general pediatrics, general geriatrics, and family medicine. This reduction
41.34 and the reductions in paragraph (d) do not apply to federally qualified health centers,
41.35 rural health centers, and Indian health services. Effective October 1, 2009, payments

42.1 made to managed care plans and county-based purchasing plans under sections 256B.69,
42.2 256B.692, and 256L.12 shall reflect the payment reduction described in this paragraph.

42.3 (d) Effective for services rendered on or after July 1, 2010, payment rates for
42.4 physician and professional services shall be reduced an additional seven percent over
42.5 the five percent reduction in rates described in paragraph (c). This additional reduction
42.6 does not apply to physical therapy services, occupational therapy services, and speech
42.7 pathology and related services provided on or after July 1, 2010. This additional reduction
42.8 does not apply to physician services billed by a psychiatrist or an advanced practice nurse
42.9 with a specialty in mental health. Effective October 1, 2010, payments made to managed
42.10 care plans and county-based purchasing plans under sections 256B.69, 256B.692, and
42.11 256L.12 shall reflect the payment reduction described in this paragraph.

42.12 (e) Effective for services rendered on or after September 1, 2011, through June 30,
42.13 2013, payment rates for physician and professional services shall be reduced three percent
42.14 from the rates in effect on August 31, 2011. This reduction does not apply to physical
42.15 therapy services, occupational therapy services, and speech pathology and related services.

42.16 (f) Effective for services rendered on or after September 1, 2014, payment rates for
42.17 physician and professional services, including physical therapy, occupational therapy,
42.18 speech pathology, and mental health services shall be increased by five percent from the
42.19 rates in effect on August 31, 2014. In calculating this rate increase, the commissioner
42.20 shall not include in the base rate for August 31, 2014, the rate increase provided under
42.21 section 256B.76, subdivision 7. This increase does not apply to federally qualified health
42.22 centers, rural health centers, and Indian health services. Payments made to managed
42.23 care plans and county-based purchasing plans shall not be adjusted to reflect payments
42.24 under this paragraph.

42.25 (g) Effective for services rendered on or after July 1, 2015, payment rates for
42.26 physical therapy, occupational therapy, and speech pathology and related services provided
42.27 by a hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph
42.28 (a), clause (4), shall be increased by 90 percent from the rates in effect on June 30, 2015.
42.29 Payments made to managed care plans and county-based purchasing plans shall not be
42.30 adjusted to reflect payments under this paragraph.

42.31 Sec. 26. Minnesota Statutes 2014, section 256B.76, subdivision 2, is amended to read:

42.32 Subd. 2. **Dental reimbursement.** (a) Effective for services rendered on or after
42.33 October 1, 1992, the commissioner shall make payments for dental services as follows:

42.34 (1) dental services shall be paid at the lower of (i) submitted charges, or (ii) 25
42.35 percent above the rate in effect on June 30, 1992; and

43.1 (2) dental rates shall be converted from the 50th percentile of 1982 to the 50th
43.2 percentile of 1989, less the percent in aggregate necessary to equal the above increases.

43.3 (b) Beginning October 1, 1999, the payment for tooth sealants and fluoride treatments
43.4 shall be the lower of (1) submitted charge, or (2) 80 percent of median 1997 charges.

43.5 (c) Effective for services rendered on or after January 1, 2000, payment rates for
43.6 dental services shall be increased by three percent over the rates in effect on December
43.7 31, 1999.

43.8 (d) Effective for services provided on or after January 1, 2002, payment for
43.9 diagnostic examinations and dental x-rays provided to children under age 21 shall be the
43.10 lower of (1) the submitted charge, or (2) 85 percent of median 1999 charges.

43.11 (e) The increases listed in paragraphs (b) and (c) shall be implemented January 1,
43.12 2000, for managed care.

43.13 (f) Effective for dental services rendered on or after October 1, 2010, by a
43.14 state-operated dental clinic, payment shall be paid on a reasonable cost basis that is based
43.15 on the Medicare principles of reimbursement. This payment shall be effective for services
43.16 rendered on or after January 1, 2011, to recipients enrolled in managed care plans or
43.17 county-based purchasing plans.

43.18 (g) Beginning in fiscal year 2011, if the payments to state-operated dental clinics
43.19 in paragraph (f), including state and federal shares, are less than \$1,850,000 per fiscal
43.20 year, a supplemental state payment equal to the difference between the total payments
43.21 in paragraph (f) and \$1,850,000 shall be paid from the general fund to state-operated
43.22 services for the operation of the dental clinics.

43.23 (h) If the cost-based payment system for state-operated dental clinics described in
43.24 paragraph (f) does not receive federal approval, then state-operated dental clinics shall be
43.25 designated as critical access dental providers under subdivision 4, paragraph (b), and shall
43.26 receive the critical access dental reimbursement rate as described under subdivision 4,
43.27 paragraph (a).

43.28 (i) Effective for services rendered on or after September 1, 2011, through June 30,
43.29 2013, payment rates for dental services shall be reduced by three percent. This reduction
43.30 does not apply to state-operated dental clinics in paragraph (f).

43.31 (j) Effective for services rendered on or after January 1, 2014, payment rates for
43.32 dental services shall be increased by five percent from the rates in effect on December
43.33 31, 2013. This increase does not apply to state-operated dental clinics in paragraph (f),
43.34 federally qualified health centers, rural health centers, and Indian health services. Effective
43.35 January 1, 2014, payments made to managed care plans and county-based purchasing

44.1 plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment increase
44.2 described in this paragraph.

44.3 (k) Effective for services rendered on or after July 1, 2015, payment rates for dental
44.4 services shall be increased by five percent from the rates in effect on June 30, 2015. This
44.5 increase does not apply to state-operated dental clinics in paragraph (f), federally qualified
44.6 health centers, rural health centers, and Indian health services. Effective January 1, 2016,
44.7 payments to managed care plans and county-based purchasing plans under sections
44.8 256B.69 and 256B.692 shall reflect the payment increase described in this paragraph.

44.9 Sec. 27. Minnesota Statutes 2014, section 256B.762, is amended to read:

44.10 **256B.762 REIMBURSEMENT FOR HEALTH CARE SERVICES.**

44.11 (a) Effective for services provided on or after October 1, 2005, payment rates
44.12 for the following services shall be increased by five percent over the rates in effect on
44.13 September 30, 2005, when these services are provided as home health services under
44.14 section 256B.0625, subdivision 6a:

- 44.15 (1) skilled nursing visit;
44.16 (2) physical therapy visit;
44.17 (3) occupational therapy visit;
44.18 (4) speech therapy visit; and
44.19 (5) home health aide visit.

44.20 (b) Effective for services provided on or after July 1, 2015, payment rates for
44.21 managed care and fee-for-service visits for the following services shall be increased by
44.22 ten percent over the rates in effect on June 30, 2015, when these services are provided as
44.23 home health services under section 256B.0625, subdivision 6a:

- 44.24 (1) physical therapy;
44.25 (2) occupational therapy; and
44.26 (3) speech therapy.

44.27 The commissioner shall adjust managed care and county-based purchasing plan capitation
44.28 rates to reflect the payment rates under this paragraph.

44.29 Sec. 28. Minnesota Statutes 2014, section 256B.766, is amended to read:

44.30 **256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.**

44.31 (a) Effective for services provided on or after July 1, 2009, total payments for basic
44.32 care services, shall be reduced by three percent, except that for the period July 1, 2009,
44.33 through June 30, 2011, total payments shall be reduced by 4.5 percent for the medical

45.1 assistance and general assistance medical care programs, prior to third-party liability and
45.2 spenddown calculation. Effective July 1, 2010, the commissioner shall classify physical
45.3 therapy services, occupational therapy services, and speech-language pathology and
45.4 related services as basic care services. The reduction in this paragraph shall apply to
45.5 physical therapy services, occupational therapy services, and speech-language pathology
45.6 and related services provided on or after July 1, 2010.

45.7 (b) Payments made to managed care plans and county-based purchasing plans shall
45.8 be reduced for services provided on or after October 1, 2009, to reflect the reduction
45.9 effective July 1, 2009, and payments made to the plans shall be reduced effective October
45.10 1, 2010, to reflect the reduction effective July 1, 2010.

45.11 (c) Effective for services provided on or after September 1, 2011, through June 30,
45.12 2013, total payments for outpatient hospital facility fees shall be reduced by five percent
45.13 from the rates in effect on August 31, 2011.

45.14 (d) Effective for services provided on or after September 1, 2011, through June
45.15 30, 2013, total payments for ambulatory surgery centers facility fees, medical supplies
45.16 and durable medical equipment not subject to a volume purchase contract, prosthetics
45.17 and orthotics, renal dialysis services, laboratory services, public health nursing services,
45.18 physical therapy services, occupational therapy services, speech therapy services,
45.19 eyeglasses not subject to a volume purchase contract, hearing aids not subject to a volume
45.20 purchase contract, and anesthesia services shall be reduced by three percent from the
45.21 rates in effect on August 31, 2011.

45.22 (e) Effective for services provided on or after September 1, 2014, payments
45.23 for ambulatory surgery centers facility fees, hospice services, renal dialysis services,
45.24 laboratory services, public health nursing services, eyeglasses not subject to a volume
45.25 purchase contract, and hearing aids not subject to a volume purchase contract shall be
45.26 increased by three percent and payments for outpatient hospital facility fees shall be
45.27 increased by three percent. Payments made to managed care plans and county-based
45.28 purchasing plans shall not be adjusted to reflect payments under this paragraph.

45.29 (f) Payments for medical supplies and durable medical equipment not subject to a
45.30 volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2014,
45.31 through June 30, 2015, shall be decreased by .33 percent. Payments for medical supplies
45.32 and durable medical equipment not subject to a volume purchase contract, and prosthetics
45.33 and orthotics, provided on or after July 1, 2015, shall be increased by three percent from
45.34 the rates ~~in effect on June 30, 2014~~ as determined under paragraph (i).

45.35 (g) Effective for services provided on or after July 1, 2015, payments for outpatient
45.36 hospital facility fees, medical supplies and durable medical equipment not subject to a

46.1 volume purchase contract, prosthetics and orthotics, and laboratory services to a hospital
46.2 meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause (4),
46.3 shall be increased by 90 percent from the rates in effect on June 30, 2015. Payments made
46.4 to managed care plans and county-based purchasing plans shall not be adjusted to reflect
46.5 payments under this paragraph.

46.6 (h) This section does not apply to physician and professional services, inpatient
46.7 hospital services, family planning services, mental health services, dental services,
46.8 prescription drugs, medical transportation, federally qualified health centers, rural health
46.9 centers, Indian health services, and Medicare cost-sharing.

46.10 (i) Effective July 1, 2015, the medical assistance payment rate for durable medical
46.11 equipment, prosthetics, orthotics, or supplies shall be restored to the January 1, 2008,
46.12 medical assistance fee schedule, updated to include subsequent rate increases in the
46.13 Medicare and medical assistance fee schedules, and including individually priced
46.14 items for the following categories: enteral nutrition and supplies, customized and other
46.15 specialized tracheostomy tubes and supplies, electric patient lifts, and durable medical
46.16 equipment repair and service. This paragraph does not apply to medical supplies and
46.17 durable medical equipment subject to a volume purchase contract, products subject to the
46.18 preferred diabetic testing supply program, and items provided to dually eligible recipients
46.19 when Medicare is the primary payer for the item.

46.20 Sec. 29. Minnesota Statutes 2014, section 256B.767, is amended to read:

46.21 **256B.767 MEDICARE PAYMENT LIMIT.**

46.22 (a) Effective for services rendered on or after July 1, 2010, fee-for-service payment
46.23 rates for physician and professional services under section 256B.76, subdivision 1, and
46.24 basic care services subject to the rate reduction specified in section 256B.766, shall not
46.25 exceed the Medicare payment rate for the applicable service, as adjusted for any changes
46.26 in Medicare payment rates after July 1, 2010. The commissioner shall implement this
46.27 section after any other rate adjustment that is effective July 1, 2010, and shall reduce rates
46.28 under this section by first reducing or eliminating provider rate add-ons.

46.29 (b) This section does not apply to services provided by advanced practice certified
46.30 nurse midwives licensed under chapter 148 or traditional midwives licensed under chapter
46.31 147D. Notwithstanding this exemption, medical assistance fee-for-service payment rates
46.32 for advanced practice certified nurse midwives and licensed traditional midwives shall
46.33 equal and shall not exceed the medical assistance payment rate to physicians for the
46.34 applicable service.

47.1 (c) This section does not apply to mental health services or physician services billed
47.2 by a psychiatrist or an advanced practice registered nurse with a specialty in mental health.

47.3 ~~(d) Effective for durable medical equipment, prosthetics, orthotics, or supplies
47.4 provided on or after July 1, 2013, through June 30, 2015, the payment rate for items
47.5 that are subject to the rates established under Medicare's National Competitive Bidding
47.6 Program shall be equal to the rate that applies to the same item when not subject to the
47.7 rate established under Medicare's National Competitive Bidding Program. This paragraph
47.8 does not apply to mail-order diabetic supplies and does not apply to items provided to
47.9 dually eligible recipients when Medicare is the primary payer of the item.~~

47.10 (d) Effective July 1, 2015, this section shall not apply to durable medical equipment,
47.11 prosthetics, orthotics, or supplies.

47.12 (e) This section does not apply to physical therapy, occupational therapy, speech
47.13 pathology and related services, and basic care services provided by a hospital meeting the
47.14 criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause (4).

47.15 Sec. 30. Laws 2008, chapter 363, article 18, section 3, subdivision 5, is amended to read:

47.16 Subd. 5. **Basic Health Care Grants**

47.17 (a) **MinnesotaCare Grants**

47.18 **Health Care Access** -0- (770,000)

47.19 **Incentive Program and Outreach Grants.**

47.20 Of the appropriation for the Minnesota health
47.21 care outreach program in Laws 2007, chapter
47.22 147, article 19, section 3, subdivision 7,
47.23 paragraph (b):

47.24 (1) \$400,000 in fiscal year 2009 from the
47.25 general fund and \$200,000 in fiscal year 2009
47.26 from the health care access fund are for the
47.27 incentive program under Minnesota Statutes,
47.28 section 256.962, subdivision 5. For the
47.29 biennium beginning July 1, 2009, base level
47.30 funding for this activity shall be \$360,000
47.31 from the general fund and \$160,000 from the
47.32 health care access fund; and

48.1 (2) \$100,000 in fiscal year 2009 from the
 48.2 general fund and \$50,000 in fiscal year 2009
 48.3 from the health care access fund are for the
 48.4 outreach grants under Minnesota Statutes,
 48.5 section 256.962, subdivision 2. For the
 48.6 biennium beginning July 1, 2009, base level
 48.7 funding for this activity shall be \$90,000
 48.8 from the general fund and \$40,000 from the
 48.9 health care access fund.

48.10 **(b) MA Basic Health Care Grants - Families**
 48.11 **and Children**

-0- (17,280,000)

48.12 **Third-Party Liability.** (a) During
 48.13 fiscal year 2009, the commissioner shall
 48.14 employ a contractor paid on a percentage
 48.15 basis to improve third-party collections.
 48.16 Improvement initiatives may include, but not
 48.17 be limited to, efforts to improve postpayment
 48.18 collection from nonresponsive claims and
 48.19 efforts to uncover third-party payers the
 48.20 commissioner has been unable to identify.

48.21 (b) In fiscal year 2009, the first \$1,098,000
 48.22 of recoveries, after contract payments and
 48.23 federal repayments, is appropriated to
 48.24 the commissioner for technology-related
 48.25 expenses.

48.26 ~~**Administrative Costs.**~~ (a) For contracts
 48.27 ~~effective on or after January 1, 2009,~~
 48.28 ~~the commissioner shall limit aggregate~~
 48.29 ~~administrative costs paid to managed care~~
 48.30 ~~plans under Minnesota Statutes, section~~
 48.31 ~~256B.69, and to county-based purchasing~~
 48.32 ~~plans under Minnesota Statutes, section~~
 48.33 ~~256B.692, to an overall average of 6.6 percent~~
 48.34 ~~of total contract payments under Minnesota~~
 48.35 ~~Statutes, sections 256B.69 and 256B.692,~~
 48.36 ~~for each calendar year. For purposes of~~

49.1 ~~this paragraph, administrative costs do not~~
 49.2 ~~include premium taxes paid under Minnesota~~
 49.3 ~~Statutes, section 297I.05, subdivision 5, and~~
 49.4 ~~provider surcharges paid under Minnesota~~
 49.5 ~~Statutes, section 256.9657, subdivision 3.~~

49.6 ~~(b) Notwithstanding any law to the contrary,~~
 49.7 ~~the commissioner may reduce or eliminate~~
 49.8 ~~administrative requirements to meet the~~
 49.9 ~~administrative target under paragraph (a).~~

49.10 ~~(c) Notwithstanding any contrary provision~~
 49.11 ~~of this article, this rider shall not expire.~~

49.12 **Hospital Payment Delay.** Notwithstanding
 49.13 Laws 2005, First Special Session chapter 4,
 49.14 article 9, section 2, subdivision 6, payments
 49.15 from the Medicaid Management Information
 49.16 System that would otherwise have been made
 49.17 for inpatient hospital services for medical
 49.18 assistance enrollees are delayed as follows:

49.19 (1) for fiscal year 2008, June payments must
 49.20 be included in the first payments in fiscal
 49.21 year 2009; and (2) for fiscal year 2009,
 49.22 June payments must be included in the first
 49.23 payment of fiscal year 2010. The provisions
 49.24 of Minnesota Statutes, section 16A.124,
 49.25 do not apply to these delayed payments.

49.26 Notwithstanding any contrary provision in
 49.27 this article, this paragraph expires on June
 49.28 30, 2010.

49.29 **(c) MA Basic Health Care Grants - Elderly and**
 49.30 **Disabled**

(14,028,000)

(9,368,000)

49.31 **Minnesota Disability Health Options Rate**
 49.32 **Setting Methodology.** The commissioner
 49.33 shall develop and implement a methodology
 49.34 for risk adjusting payments for community
 49.35 alternatives for disabled individuals (CADI)

50.1 and traumatic brain injury (TBI) home
 50.2 and community-based waiver services
 50.3 delivered under the Minnesota disability
 50.4 health options program (MnDHO) effective
 50.5 January 1, 2009. The commissioner shall
 50.6 take into account the weighting system used
 50.7 to determine county waiver allocations in
 50.8 developing the new payment methodology.
 50.9 Growth in the number of enrollees receiving
 50.10 CADI or TBI waiver payments through
 50.11 MnDHO is limited to an increase of 200
 50.12 enrollees in each calendar year from January
 50.13 2009 through December 2011. If those limits
 50.14 are reached, additional members may be
 50.15 enrolled in MnDHO for basic care services
 50.16 only as defined under Minnesota Statutes,
 50.17 section 256B.69, subdivision 28, and the
 50.18 commissioner may establish a waiting list for
 50.19 future access of MnDHO members to those
 50.20 waiver services.

50.21 **MA Basic Elderly and Disabled**

50.22 **Adjustments.** For the fiscal year ending June
 50.23 30, 2009, the commissioner may adjust the
 50.24 rates for each service affected by rate changes
 50.25 under this section in such a manner across
 50.26 the fiscal year to achieve the necessary cost
 50.27 savings and minimize disruption to service
 50.28 providers, notwithstanding the requirements
 50.29 of Laws 2007, chapter 147, article 7, section
 50.30 71.

50.31 **(d) General Assistance Medical Care Grants** -0- (6,971,000)

50.32 **(e) Other Health Care Grants** -0- (17,000)

50.33 **MinnesotaCare Outreach Grants Special**

50.34 **Revenue Account.** The balance in the
 50.35 MinnesotaCare outreach grants special

51.1 revenue account on July 1, 2009, estimated
51.2 to be \$900,000, must be transferred to the
51.3 general fund.

51.4 **Grants Reduction.** Effective July 1, 2008,
51.5 base level funding for nonforecast, general
51.6 fund health care grants issued under this
51.7 paragraph shall be reduced by 1.8 percent at
51.8 the allotment level.

51.9 **Sec. 31. REDUCTION IN ADMINISTRATIVE COSTS.**

51.10 The commissioner of human services, when contracting with managed care and
51.11 county-based purchasing plans for the provision of services under Minnesota Statutes,
51.12 sections 256B.69 and 256B.692, for calendar years 2016 and 2017, shall negotiate
51.13 reductions in managed care and county-based purchasing plan administrative costs,
51.14 sufficient to achieve a state medical assistance savings of \$100,000,000 for the biennium
51.15 ending June 30, 2017.

51.16 **Sec. 32. ADVISORY GROUP ON ADMINISTRATIVE EXPENSES.**

51.17 Subdivision 1. **Duties.** The commissioner of health shall reconvene the Advisory
51.18 Group on Administrative Expenses, established under Laws 2010, First Special Session
51.19 chapter 1, article 20, section 3, to develop detailed standards and procedures for examining
51.20 the reasonableness of administrative expenses by individual state public programs.
51.21 The advisory group shall develop consistent guidelines, definitions, and reporting
51.22 requirements, including a common standardized public reporting template for health
51.23 maintenance organizations and county-based purchasing plans that participate in state
51.24 public programs. The advisory group shall take into consideration relevant reporting
51.25 standards of the National Association of Insurance Commissioners and the Centers for
51.26 Medicare and Medicaid Services. The advisory group shall expire on January 1, 2016.

51.27 Subd. 2. **Membership.** The advisory group shall be composed of the following
51.28 members, who serve at the pleasure of their appointing authority:

51.29 (1) the commissioner of health or the commissioner's designee;

51.30 (2) the commissioner of human services or the commissioner's designee;

51.31 (3) the commissioner of commerce or the commissioner's designee; and

51.32 (4) representatives of health maintenance organizations and county-based purchasing
51.33 plans appointed by the commissioner of health.

52.1 **Sec. 33. CAPITATION PAYMENT DELAY.**

52.2 (a) The commissioner of human services shall delay \$135,000,000 of the medical
52.3 assistance capitation payment to managed care plans and county-based purchasing plans
52.4 due in May 2017 and the payment due in April 2017 for special needs basic care until
52.5 July 1, 2017. The payment shall be made no earlier than July 1, 2017, and no later than
52.6 July 31, 2017.

52.7 (b) The commissioner of human services shall delay \$135,000,000 of the medical
52.8 assistance capitation payment to managed care plans and county-based purchasing plans
52.9 due in the second quarter of calendar year 2019 and the April 2019 payment for special
52.10 needs basic care until July 1, 2019. The payment shall be made no earlier than July 1,
52.11 2019, and no later than July 31, 2019.

52.12 **Sec. 34. HEALTH AND ECONOMIC ASSISTANCE PROGRAM ELIGIBILITY**
52.13 **VERIFICATION AUDIT SERVICES.**

52.14 Subdivision 1. **Request for proposals.** By October 1, 2015, the commissioner of
52.15 human services shall issue a request for proposals for a contract to provide eligibility
52.16 verification audit services for benefits provided through health and economic assistance
52.17 programs. The request for proposals must require that the vendor:

52.18 (1) conduct an eligibility verification audit of all health and economic assistance
52.19 program recipients that includes, but is not limited to, appropriate data matching against
52.20 relevant state and federal databases;

52.21 (2) identify any ineligible recipients in these programs and report those findings
52.22 to the commissioner; and

52.23 (3) identify a process for ongoing eligibility verification of health and economic
52.24 assistance program recipients and applicants, following the conclusion of the eligibility
52.25 verification audit required by this section.

52.26 Subd. 2. **Additional vendor criteria.** The request for proposals must require the
52.27 vendor to provide the following minimum capabilities and experience in performing the
52.28 services described in subdivision 1:

52.29 (1) a rules-based process for making objective eligibility determinations;

52.30 (2) assigned eligibility advocates to assist recipients through the verification process;

52.31 (3) a formal claims and appeals process; and

52.32 (4) experience in the performance of eligibility verification audits.

52.33 Subd. 3. **Contract required.** (a) By January 1, 2016, the commissioner must enter
52.34 into a contract for the services specified in subdivision 1. The contract must:

53.1 (1) incorporate performance-based vendor financing that compensates the vendor
53.2 based on the amount of savings generated by the work performed under the contract;

53.3 (2) require the vendor to reimburse the commissioner and county agencies for all
53.4 reasonable costs incurred in implementing this section, out of savings generated by the
53.5 work performed under the contract;

53.6 (3) require the vendor to comply with enrollee data privacy requirements and to use
53.7 encryption to safeguard enrollee identity; and

53.8 (4) provide penalties for vendor noncompliance.

53.9 (b) The commissioner may renew the contract for up to three additional one-year
53.10 periods. The commissioner may require additional eligibility verification audits, if
53.11 the commissioner or the legislative auditor determines that the MNsure information
53.12 technology system and agency eligibility determination systems cannot effectively verify
53.13 the eligibility of health and economic assistance program recipients.

53.14 Subd. 4. **Health and economic assistance program.** For purposes of this section,
53.15 "health and economic assistance program" means the medical assistance program under
53.16 Minnesota Statutes, chapter 256B, Minnesota family investment and diversionary
53.17 work programs under Minnesota Statutes, chapter 256J, child care assistance programs
53.18 under Minnesota Statutes, chapter 119B, general assistance under Minnesota Statutes,
53.19 sections 256D.01 to 256D.23, alternative care program under Minnesota Statutes, section
53.20 256B.0913, and chemical dependency programs funded under Minnesota Statutes, chapter
53.21 254B.

53.22 Sec. 35. **REQUEST FOR PROPOSALS.**

53.23 (a) The commissioner of human services shall issue a request for proposals
53.24 for a contract to use technologically advanced software and services to improve the
53.25 identification and rejection or elimination of:

53.26 (1) improper Medicaid payments before payment is made to the provider; and

53.27 (2) improper provision of benefits by a health and economic assistance program
53.28 to ineligible individuals.

53.29 (b) The request for proposals must ensure that a system recommended and
53.30 implemented by the contractor will:

53.31 (1) implement a more comprehensive, robust, and technologically advanced
53.32 improper payments and benefits identification program;

53.33 (2) utilize state of the art fraud detection methods and technologies such as predictive
53.34 modeling, link analysis, and anomaly and outlier detection;

53.35 (3) have the ability to identify and report improper claims before the claims are paid;

54.1 (4) have the ability to identify and report the improper provision of benefits under a
54.2 health and economic assistance program;

54.3 (5) include a mechanism so that the system improves its detection capabilities over
54.4 time;

54.5 (6) leverage technology to make the Medicaid claims evaluation process more
54.6 transparent and cost-efficient; and

54.7 (7) result in increased state savings by reducing or eliminating payouts of wrongful
54.8 Medicaid claims and the improper provision of health and economic assistance program
54.9 benefits.

54.10 (c) Based on responses to the request for proposals, the commissioner must enter
54.11 into a contract for the services specified in paragraphs (a) and (b) by October 1, 2015. The
54.12 contract shall incorporate a performance-based vendor financing option whereby the
54.13 vendor shares in the risk of the project's success.

54.14 (d) For purposes of this section, "health and economic assistance program" means
54.15 the medical assistance program under Minnesota Statutes, chapter 256B, Minnesota family
54.16 investment and diversionary work programs under Minnesota Statutes, chapter 256J, child
54.17 care assistance programs under Minnesota Statutes, chapter 119B, general assistance
54.18 under Minnesota Statutes, sections 256D.01 to 256D.23, alternative care program under
54.19 Minnesota Statutes, section 256B.0913, and chemical dependency programs funded under
54.20 Minnesota Statutes, chapter 254B.

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

54.22 Sec. 36. **FEDERAL WAIVER OR APPROVAL.**

54.23 The commissioner of human services shall seek any federal waiver or approval
54.24 necessary to implement the amendments to Minnesota Statutes, section 256B.0644.

54.25 **ARTICLE 2**

54.26 **MINNESOTACARE**

54.27 Section 1. Minnesota Statutes 2014, section 256.98, subdivision 1, is amended to read:

54.28 Subdivision 1. **Wrongfully obtaining assistance.** A person who commits any of
54.29 the following acts or omissions with intent to defeat the purposes of sections 145.891
54.30 to 145.897, the MFIP program formerly codified in sections 256.031 to 256.0361, the
54.31 AFDC program formerly codified in sections 256.72 to 256.871, chapters 256B, 256D,
54.32 256J, 256K, or 256L, and child care assistance programs, is guilty of theft and shall be
54.33 sentenced under section 609.52, subdivision 3, clauses (1) to (5):

55.1 (1) obtains or attempts to obtain, or aids or abets any person to obtain by means of
55.2 a willfully false statement or representation, by intentional concealment of any material
55.3 fact, or by impersonation or other fraudulent device, assistance or the continued receipt of
55.4 assistance, to include child care assistance or vouchers produced according to sections
55.5 145.891 to 145.897 and ~~MinnesotaCare services according to sections~~ premium assistance
55.6 under section 256.9365, 256.94, and 256L.01 to 256L.15, to which the person is not
55.7 entitled or assistance greater than that to which the person is entitled;

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

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

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

55.17 **EFFECTIVE DATE.** This section is effective January 1, 2016.

55.18 Sec. 2. Minnesota Statutes 2014, section 256B.021, subdivision 4, is amended to read:

55.19 Subd. 4. **Projects.** The commissioner shall request permission and funding to
55.20 further the following initiatives.

55.21 (a) Health care delivery demonstration projects. This project involves testing
55.22 alternative payment and service delivery models in accordance with sections 256B.0755
55.23 and 256B.0756. These demonstrations will allow the Minnesota Department of Human
55.24 Services to engage in alternative payment arrangements with provider organizations that
55.25 provide services to a specified patient population for an agreed upon total cost of care or
55.26 risk/gain sharing payment arrangement, but are not limited to these models of care delivery
55.27 or payment. Quality of care and patient experience will be measured and incorporated into
55.28 payment models alongside the cost of care. Demonstration sites should include Minnesota
55.29 health care programs fee-for-services recipients and managed care enrollees and support a
55.30 robust primary care model and improved care coordination for recipients.

55.31 (b) Promote personal responsibility and encourage and reward healthy outcomes.
55.32 This project provides Medicaid funding to provide individual and group incentives to
55.33 encourage healthy behavior, prevent the onset of chronic disease, and reward healthy
55.34 outcomes. Focus areas may include diabetes prevention and management, tobacco
55.35 cessation, reducing weight, lowering cholesterol, and lowering blood pressure.

56.1 (c) Encourage utilization of high quality, cost-effective care. This project creates
56.2 incentives through Medicaid and MinnesotaCare enrollee cost-sharing and other means to
56.3 encourage the utilization of high-quality, low-cost, high-value providers, as determined by
56.4 the state's provider peer grouping initiative under section 62U.04.

56.5 (d) Adults without children. This proposal includes requesting federal authority to
56.6 impose a limit on assets for adults without children in medical assistance, as defined in
56.7 section 256B.055, subdivision 15, who have a household income equal to or less than
56.8 75 percent of the federal poverty limit, ~~and to impose a 180-day durational residency~~
56.9 ~~requirement in MinnesotaCare, consistent with section 256L.09, subdivision 4, for adults~~
56.10 ~~without children, regardless of income.~~

56.11 (e) Empower and encourage work, housing, and independence. This project provides
56.12 services and supports for individuals who have an identified health or disabling condition
56.13 but are not yet certified as disabled, in order to delay or prevent permanent disability,
56.14 reduce the need for intensive health care and long-term care services and supports, and to
56.15 help maintain or obtain employment or assist in return to work. Benefits may include:

- 56.16 (1) coordination with health care homes or health care coordinators;
- 56.17 (2) assessment for wellness, housing needs, employment, planning, and goal setting;
- 56.18 (3) training services;
- 56.19 (4) job placement services;
- 56.20 (5) career counseling;
- 56.21 (6) benefit counseling;
- 56.22 (7) worker supports and coaching;
- 56.23 (8) assessment of workplace accommodations;
- 56.24 (9) transitional housing services; and
- 56.25 (10) assistance in maintaining housing.

56.26 (f) Redesign home and community-based services. This project realigns existing
56.27 funding, services, and supports for people with disabilities and older Minnesotans to
56.28 ensure community integration and a more sustainable service system. This may involve
56.29 changes that promote a range of services to flexibly respond to the following needs:

- 56.30 (1) provide people less expensive alternatives to medical assistance services;
- 56.31 (2) offer more flexible and updated community support services under the Medicaid
56.32 state plan;
- 56.33 (3) provide an individual budget and increased opportunity for self-direction;
- 56.34 (4) strengthen family and caregiver support services;
- 56.35 (5) allow persons to pool resources or save funds beyond a fiscal year to cover
56.36 unexpected needs or foster development of needed services;

- 57.1 (6) use of home and community-based waiver programs for people whose needs
57.2 cannot be met with the expanded Medicaid state plan community support service options;
57.3 (7) target access to residential care for those with higher needs;
57.4 (8) develop capacity within the community for crisis intervention and prevention;
57.5 (9) redesign case management;
57.6 (10) offer life planning services for families to plan for the future of their child
57.7 with a disability;
57.8 (11) enhance self-advocacy and life planning for people with disabilities;
57.9 (12) improve information and assistance to inform long-term care decisions; and
57.10 (13) increase quality assurance, performance measurement, and outcome-based
57.11 reimbursement.

57.12 This project may include different levels of long-term supports that allow seniors to
57.13 remain in their homes and communities, and expand care transitions from acute care to
57.14 community care to prevent hospitalizations and nursing home placement. The levels
57.15 of support for seniors may range from basic community services for those with lower
57.16 needs, access to residential services if a person has higher needs, and targets access to
57.17 nursing home care to those with rehabilitation or high medical needs. This may involve
57.18 the establishment of medical need thresholds to accommodate the level of support
57.19 needed; provision of a long-term care consultation to persons seeking residential services,
57.20 regardless of payer source; adjustment of incentives to providers and care coordination
57.21 organizations to achieve desired outcomes; and a required coordination with medical
57.22 assistance basic care benefit and Medicare/Medigap benefit. This proposal will improve
57.23 access to housing and improve capacity to maintain individuals in their existing home;
57.24 adjust screening and assessment tools, as needed; improve transition and relocation
57.25 efforts; seek federal financial participation for alternative care and essential community
57.26 supports; and provide Medigap coverage for people having lower needs.

57.27 (g) Coordinate and streamline services for people with complex needs, including
57.28 those with multiple diagnoses of physical, mental, and developmental conditions. This
57.29 project will coordinate and streamline medical assistance benefits for people with complex
57.30 needs and multiple diagnoses. It would include changes that:

57.31 (1) develop community-based service provider capacity to serve the needs of this
57.32 group;

57.33 (2) build assessment and care coordination expertise specific to people with multiple
57.34 diagnoses;

57.35 (3) adopt service delivery models that allow coordinated access to a range of services
57.36 for people with complex needs;

58.1 (4) reduce administrative complexity;

58.2 (5) measure the improvements in the state's ability to respond to the needs of this
58.3 population; and

58.4 (6) increase the cost-effectiveness for the state budget.

58.5 (h) Implement nursing home level of care criteria. This project involves obtaining
58.6 any necessary federal approval in order to implement the changes to the level of care
58.7 criteria in section 144.0724, subdivision 11, and implement further changes necessary to
58.8 achieve reform of the home and community-based service system.

58.9 (i) Improve integration of Medicare and Medicaid. This project involves reducing
58.10 fragmentation in the health care delivery system to improve care for people eligible for
58.11 both Medicare and Medicaid, and to align fiscal incentives between primary, acute, and
58.12 long-term care. The proposal may include:

58.13 (1) requesting an exception to the new Medicare methodology for payment
58.14 adjustment for fully integrated special needs plans for dual eligible individuals;

58.15 (2) testing risk adjustment models that may be more favorable to capturing the
58.16 needs of frail dually eligible individuals;

58.17 (3) requesting an exemption from the Medicare bidding process for fully integrated
58.18 special needs plans for the dually eligible;

58.19 (4) modifying the Medicare bid process to recognize additional costs of health
58.20 home services; and

58.21 (5) requesting permission for risk-sharing and gain-sharing.

58.22 (j) Intensive residential treatment services. This project would involve providing
58.23 intensive residential treatment services for individuals who have serious mental illness
58.24 and who have other complex needs. This proposal would allow such individuals to remain
58.25 in these settings after mental health symptoms have stabilized, in order to maintain their
58.26 mental health and avoid more costly or unnecessary hospital or other residential care due
58.27 to their other complex conditions. The commissioner may pursue a specialized rate for
58.28 projects created under this section.

58.29 (k) Seek federal Medicaid matching funds for Anoka Metro Regional Treatment
58.30 Center (AMRTC). This project involves seeking Medicaid reimbursement for medical
58.31 services provided to patients to AMRTC, including requesting a waiver of United States
58.32 Code, title 42, section 1396d, which prohibits Medicaid reimbursement for expenditures
58.33 for services provided by hospitals with more than 16 beds that are primarily focused on
58.34 the treatment of mental illness. This waiver would allow AMRTC to serve as a statewide
58.35 resource to provide diagnostics and treatment for people with the most complex conditions.

59.1 (l) Waivers to allow Medicaid eligibility for children under age 21 receiving care
59.2 in residential facilities. This proposal would seek Medicaid reimbursement for any
59.3 Medicaid-covered service for children who are placed in residential settings that are
59.4 determined to be "institutions for mental diseases," under United States Code, title 42,
59.5 section 1396d.

59.6 **EFFECTIVE DATE.** This section is effective January 1, 2016.

59.7 Sec. 3. Minnesota Statutes 2014, section 256L.01, subdivision 3a, is amended to read:

59.8 Subd. 3a. **Family.** (a) Except as provided in paragraphs (c) and (d), "family" has
59.9 the meaning given for family and family size as defined in Code of Federal Regulations,
59.10 title 26, section 1.36B-1.

59.11 (b) The term includes children who are temporarily absent from the household in
59.12 settings such as schools, camps, or parenting time with noncustodial parents.

59.13 (c) For an individual who does not expect to file a federal tax return and does not
59.14 expect to be claimed as a dependent for the applicable tax year, "family" has the meaning
59.15 given in Code of Federal Regulations, title 42, section 435.603(f)(3).

59.16 (d) For a married couple, "family" has the meaning given in Code of Federal
59.17 Regulations, title 42, section 435.603(f)(4).

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

59.19 Sec. 4. Minnesota Statutes 2014, section 256L.01, subdivision 5, is amended to read:

59.20 Subd. 5. **Income.** "Income" has the meaning given for modified adjusted gross
59.21 income, as defined in Code of Federal Regulations, title 26, section 1.36B-1, and means a
59.22 household's projected annual income for the applicable tax year.

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

59.24 Sec. 5. Minnesota Statutes 2014, section 256L.03, subdivision 5, is amended to read:

59.25 Subd. 5. **Cost-sharing.** (a) Except as otherwise provided in this subdivision, the
59.26 MinnesotaCare benefit plan shall include the following cost-sharing requirements for all
59.27 enrollees:

59.28 (1) \$3 per prescription for adult enrollees;

59.29 (2) \$25 for eyeglasses for adult enrollees;

59.30 (3) \$3 per nonpreventive visit. For purposes of this subdivision, a "visit" means an
59.31 episode of service which is required because of a recipient's symptoms, diagnosis, or
59.32 established illness, and which is delivered in an ambulatory setting by a physician or

60.1 physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse,
60.2 audiologist, optician, or optometrist;

60.3 (4) \$6 for nonemergency visits to a hospital-based emergency room for services
60.4 provided through December 31, 2010, and \$3.50 effective January 1, 2011; and

60.5 (5) a family deductible equal to ~~the maximum amount allowed under Code of~~
60.6 ~~Federal Regulations, title 42, part 447.54.~~ \$2.75 per month per family and adjusted
60.7 annually by the percentage increase in the medical care component of the CPI-U for
60.8 the period of September to September of the preceding calendar year, rounded to the
60.9 next-higher five-cent increment.

60.10 (b) Paragraph (a) does not apply to children under the age of 21 and to American
60.11 Indians as defined in Code of Federal Regulations, title 42, section 447.51.

60.12 (c) Paragraph (a), clause (3), does not apply to mental health services.

60.13 (d) MinnesotaCare reimbursements to fee-for-service providers and payments to
60.14 managed care plans or county-based purchasing plans shall not be increased as a result of
60.15 the reduction of the co-payments in paragraph (a), clause (4), effective January 1, 2011.

60.16 (e) The commissioner, through the contracting process under section 256L.12,
60.17 may allow managed care plans and county-based purchasing plans to waive the family
60.18 deductible under paragraph (a), clause (5). The value of the family deductible shall not be
60.19 included in the capitation payment to managed care plans and county-based purchasing
60.20 plans. Managed care plans and county-based purchasing plans shall certify annually to the
60.21 commissioner the dollar value of the family deductible.

60.22 **EFFECTIVE DATE.** The amendment to paragraph (a), clause (5), is effective
60.23 retroactively from January 1, 2014. The amendment to paragraph (b) is effective the
60.24 day following final enactment.

60.25 Sec. 6. Minnesota Statutes 2014, section 256L.04, subdivision 1c, is amended to read:

60.26 Subd. 1c. **General requirements.** To be eligible for ~~coverage under~~ MinnesotaCare,
60.27 a person must meet the eligibility requirements of this section. A person eligible for
60.28 MinnesotaCare shall not be considered a qualified individual under section 1312 of the
60.29 Affordable Care Act, and is not eligible for enrollment in a qualified health plan offered
60.30 through MNsure under chapter 62V.

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

60.32 Sec. 7. Minnesota Statutes 2014, section 256L.04, subdivision 7b, is amended to read:

61.1 Subd. 7b. **Annual income limits adjustment.** The commissioner shall adjust the
61.2 income limits under this section each July 1 by the annual update of the federal poverty
61.3 guidelines following publication by the United States Department of Health and Human
61.4 Services except that the income standards shall not go below those in effect on July 1,
61.5 2009 annually on January 1 as provided in Code of Federal Regulations, title 26, section
61.6 1.36B-1(h).

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

61.8 Sec. 8. Minnesota Statutes 2014, section 256L.04, subdivision 10, is amended to read:

61.9 Subd. 10. **Citizenship requirements.** (a) Eligibility for MinnesotaCare is limited
61.10 to citizens or nationals of the United States and lawfully present noncitizens as defined
61.11 in Code of Federal Regulations, title 8 45, section ~~103.12~~ 152.2. Undocumented
61.12 noncitizens are ineligible for MinnesotaCare. For purposes of this subdivision, an
61.13 undocumented noncitizen is an individual who resides in the United States without the
61.14 approval or acquiescence of the United States Citizenship and Immigration Services.
61.15 Families with children who are citizens or nationals of the United States must cooperate in
61.16 obtaining satisfactory documentary evidence of citizenship or nationality according to the
61.17 requirements of the federal Deficit Reduction Act of 2005, Public Law 109-171.

61.18 (b) Notwithstanding subdivisions 1 and 7, eligible persons include families and
61.19 individuals who are lawfully present and ineligible for medical assistance by reason of
61.20 immigration status and who have incomes equal to or less than 200 percent of federal
61.21 poverty guidelines.

61.22 Sec. 9. Minnesota Statutes 2014, section 256L.05, is amended by adding a subdivision
61.23 to read:

61.24 Subd. 2a. **Eligibility and coverage.** For purposes of this chapter, an individual
61.25 is eligible for MinnesotaCare following a determination by the commissioner that the
61.26 individual meets the eligibility criteria for the applicable period of eligibility. For an
61.27 individual required to pay a premium, coverage is only available in each month of the
61.28 applicable period of eligibility for which a premium is paid.

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

61.30 Sec. 10. Minnesota Statutes 2014, section 256L.05, subdivision 3, is amended to read:

61.31 Subd. 3. **Effective date of coverage.** (a) The effective date of coverage is the first
61.32 day of the month following the month in which eligibility is approved and the first premium

62.1 payment has been received. The effective date of coverage for new members added to the
62.2 family is the first day of the month following the month in which the change is reported. All
62.3 eligibility criteria must be met by the family at the time the new family member is added.
62.4 The income of the new family member is included with the family's modified adjusted gross
62.5 income and the adjusted premium begins in the month the new family member is added.

62.6 (b) The initial premium must be received by the last working day of the month for
62.7 coverage to begin the first day of the following month.

62.8 (c) Notwithstanding any other law to the contrary, benefits under sections 256L.01 to
62.9 256L.18 are secondary to a plan of insurance or benefit program under which an eligible
62.10 person may have coverage and the commissioner shall use cost avoidance techniques to
62.11 ensure coordination of any other health coverage for eligible persons. The commissioner
62.12 shall identify eligible persons who may have coverage or benefits under other plans of
62.13 insurance or who become eligible for medical assistance.

62.14 (d) The effective date of coverage for individuals or families who are exempt from
62.15 paying premiums under section 256L.15, subdivision 1, paragraph (c), is the first day of
62.16 the month following the month in which ~~verification of American Indian status is received~~
62.17 ~~or~~ eligibility is approved, ~~whichever is later.~~

62.18 Sec. 11. Minnesota Statutes 2014, section 256L.05, subdivision 3a, is amended to read:

62.19 Subd. 3a. **Renewal Redetermination of eligibility.** (a) ~~Beginning July 1, 2007, An~~
62.20 ~~enrollee's eligibility must be renewed every 12 months~~ redetermined on an annual basis.
62.21 ~~The 12-month period begins in the month after the month the application is approved. The~~
62.22 period of eligibility is the entire calendar year following the year in which eligibility is
62.23 redetermined. Beginning in calendar year 2015, eligibility redeterminations shall occur
62.24 during the open enrollment period for qualified health plans as specified in Code of
62.25 Federal Regulations, title 45, section 155.410.

62.26 (b) Each new period of eligibility must take into account any changes in
62.27 circumstances that impact eligibility and premium amount. ~~An enrollee must provide all~~
62.28 ~~the information needed to redetermine eligibility by the first day of the month that ends~~
62.29 ~~the eligibility period. The premium for the new period of eligibility must be received~~
62.30 Coverage begins as provided in section 256L.06 ~~in order for eligibility to continue.~~

62.31 (c) ~~For children enrolled in MinnesotaCare, the first period of renewal begins the~~
62.32 ~~month the enrollee turns 21 years of age.~~

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

62.34 Sec. 12. Minnesota Statutes 2014, section 256L.05, subdivision 4, is amended to read:

63.1 Subd. 4. **Application processing.** The commissioner of human services shall
63.2 determine an applicant's eligibility for MinnesotaCare no more than ~~30~~ 45 days from the
63.3 date that the application is received by the Department of Human Services as set forth in
63.4 Code of Federal Regulations, title 42, section 435.911. ~~Beginning January 1, 2000, this~~
63.5 ~~requirement also applies to local county human services agencies that determine eligibility~~
63.6 ~~for MinnesotaCare.~~

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

63.8 Sec. 13. Minnesota Statutes 2014, section 256L.06, subdivision 3, is amended to read:

63.9 Subd. 3. **Commissioner's duties and payment.** (a) Premiums are dedicated to the
63.10 commissioner for MinnesotaCare.

63.11 (b) The commissioner shall develop and implement procedures to: (1) require
63.12 enrollees to report changes in income; (2) adjust sliding scale premium payments, based
63.13 upon both increases and decreases in enrollee income, at the time the change in income
63.14 is reported; and (3) disenroll enrollees from MinnesotaCare for failure to pay required
63.15 premiums. Failure to pay includes payment with a dishonored check, a returned automatic
63.16 bank withdrawal, or a refused credit card or debit card payment. The commissioner may
63.17 demand a guaranteed form of payment, including a cashier's check or a money order, as
63.18 the only means to replace a dishonored, returned, or refused payment.

63.19 (c) Premiums are calculated on a calendar month basis and may be paid on a
63.20 monthly, quarterly, or semiannual basis, with the first payment due upon notice from the
63.21 commissioner of the premium amount required. The commissioner shall inform applicants
63.22 and enrollees of these premium payment options. Premium payment is required before
63.23 enrollment is complete and to maintain eligibility in MinnesotaCare. Premium payments
63.24 received before noon are credited the same day. Premium payments received after noon
63.25 are credited on the next working day.

63.26 (d) Nonpayment of the premium will result in disenrollment from the plan
63.27 effective for the calendar month following the month for which the premium was due.
63.28 ~~Persons disenrolled for nonpayment who pay all past due premiums as well as current~~
63.29 ~~premiums due, including premiums due for the period of disenrollment, within 20 days of~~
63.30 ~~disenrollment, shall be reenrolled retroactively to the first day of disenrollment may not~~
63.31 reenroll prior to the first day of the month following the payment of an amount equal to
63.32 two months' premiums.

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

64.1 Sec. 14. Minnesota Statutes 2014, section 256L.121, subdivision 1, is amended to read:

64.2 Subdivision 1. **Competitive process.** The commissioner of human services shall
64.3 establish a competitive process for entering into contracts with participating entities for
64.4 the offering of standard health plans through MinnesotaCare. Coverage through standard
64.5 health plans must be available to enrollees beginning January 1, 2015. Each standard
64.6 health plan must cover the health services listed in and meet the requirements of section
64.7 256L.03. The competitive process must meet the requirements of section 1331 of the
64.8 Affordable Care Act and be designed to ensure enrollee access to high-quality health care
64.9 coverage options. The commissioner, to the extent feasible, shall seek to ensure that
64.10 enrollees have a choice of coverage from more than one participating entity within a
64.11 geographic area. In counties that were part of a county-based purchasing plan on January
64.12 1, 2013, the commissioner shall use the medical assistance competitive procurement
64.13 process under section 256B.69, ~~subdivisions 1 to 32~~, under which selection of entities is
64.14 based on criteria related to provider network access, coordination of health care with other
64.15 local services, alignment with local public health goals, and other factors.

64.16 Sec. 15. Minnesota Statutes 2014, section 270A.03, subdivision 5, is amended to read:

64.17 Subd. 5. **Debt.** (a) "Debt" means a legal obligation of a natural person to pay a fixed
64.18 and certain amount of money, which equals or exceeds \$25 and which is due and payable
64.19 to a claimant agency. The term includes criminal fines imposed under section 609.10 or
64.20 609.125, fines imposed for petty misdemeanors as defined in section 609.02, subdivision
64.21 4a, and restitution. A debt may arise under a contractual or statutory obligation, a court
64.22 order, or other legal obligation, but need not have been reduced to judgment.

64.23 A debt includes any legal obligation of a current recipient of assistance which is
64.24 based on overpayment of an assistance grant where that payment is based on a client
64.25 waiver or an administrative or judicial finding of an intentional program violation;
64.26 or where the debt is owed to a program wherein the debtor is not a client at the time
64.27 notification is provided to initiate recovery under this chapter and the debtor is not a
64.28 current recipient of food support, transitional child care, or transitional medical assistance.

64.29 (b) A debt does not include any legal obligation to pay a claimant agency for medical
64.30 care, including hospitalization if the income of the debtor at the time when the medical
64.31 care was rendered does not exceed the following amount:

- 64.32 (1) for an unmarried debtor, an income of \$8,800 or less;
64.33 (2) for a debtor with one dependent, an income of \$11,270 or less;
64.34 (3) for a debtor with two dependents, an income of \$13,330 or less;
64.35 (4) for a debtor with three dependents, an income of \$15,120 or less;

- 65.1 (5) for a debtor with four dependents, an income of \$15,950 or less; and
65.2 (6) for a debtor with five or more dependents, an income of \$16,630 or less.

65.3 (c) The commissioner shall adjust the income amounts in paragraph (b) by the
65.4 percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue
65.5 Code, except that in section 1(f)(3)(B) the word "1999" shall be substituted for the word
65.6 "1992." For 2001, the commissioner shall then determine the percent change from the 12
65.7 months ending on August 31, 1999, to the 12 months ending on August 31, 2000, and in
65.8 each subsequent year, from the 12 months ending on August 31, 1999, to the 12 months
65.9 ending on August 31 of the year preceding the taxable year. The determination of the
65.10 commissioner pursuant to this subdivision shall not be considered a "rule" and shall not
65.11 be subject to the Administrative Procedure Act contained in chapter 14. The income
65.12 amount as adjusted must be rounded to the nearest \$10 amount. If the amount ends in
65.13 \$5, the amount is rounded up to the nearest \$10 amount.

65.14 (d) Debt also includes an agreement to pay a MinnesotaCare premium, regardless
65.15 of the dollar amount of the premium authorized under Minnesota Statutes 2014, section
65.16 256L.15, subdivision 1a.

65.17 **EFFECTIVE DATE.** This section is effective January 1, 2016.

65.18 Sec. 16. Minnesota Statutes 2014, section 270B.14, subdivision 1, is amended to read:

65.19 Subdivision 1. **Disclosure to commissioner of human services.** (a) On the request
65.20 of the commissioner of human services, the commissioner shall disclose return information
65.21 regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to
65.22 the extent provided in paragraph (b) and for the purposes set forth in paragraph (c).

65.23 (b) Data that may be disclosed are limited to data relating to the identity,
65.24 whereabouts, employment, income, and property of a person owing or alleged to be owing
65.25 an obligation of child support.

65.26 (c) The commissioner of human services may request data only for the purposes of
65.27 carrying out the child support enforcement program and to assist in the location of parents
65.28 who have, or appear to have, deserted their children. Data received may be used only
65.29 as set forth in section 256.978.

65.30 (d) The commissioner shall provide the records and information necessary to
65.31 administer the supplemental housing allowance to the commissioner of human services.

65.32 (e) At the request of the commissioner of human services, the commissioner of
65.33 revenue shall electronically match the Social Security numbers and names of participants
65.34 in the telephone assistance plan operated under sections 237.69 to 237.71, with those of

66.1 property tax refund filers, and determine whether each participant's household income is
66.2 within the eligibility standards for the telephone assistance plan.

66.3 (f) The commissioner may provide records and information collected under sections
66.4 295.50 to 295.59 to the commissioner of human services for purposes of the Medicaid
66.5 Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law
66.6 102-234. Upon the written agreement by the United States Department of Health and
66.7 Human Services to maintain the confidentiality of the data, the commissioner may provide
66.8 records and information collected under sections 295.50 to 295.59 to the Centers for
66.9 Medicare and Medicaid Services section of the United States Department of Health and
66.10 Human Services for purposes of meeting federal reporting requirements.

66.11 (g) The commissioner may provide records and information to the commissioner of
66.12 human services as necessary to administer the early refund of refundable tax credits.

66.13 ~~(h) The commissioner may disclose information to the commissioner of human
66.14 services necessary to verify income for eligibility and premium payment under the
66.15 MinnesotaCare program, under section 256L.05, subdivision 2.~~

66.16 ~~(h)~~ (h) The commissioner may disclose information to the commissioner of human
66.17 services necessary to verify whether applicants or recipients for the Minnesota family
66.18 investment program, general assistance, food support, Minnesota supplemental aid
66.19 program, and child care assistance have claimed refundable tax credits under chapter 290
66.20 and the property tax refund under chapter 290A, and the amounts of the credits.

66.21 ~~(i)~~ (i) The commissioner may disclose information to the commissioner of human
66.22 services necessary to verify income for purposes of calculating parental contribution
66.23 amounts under section 252.27, subdivision 2a.

66.24 **EFFECTIVE DATE.** This section is effective January 1, 2016.

66.25 Sec. 17. **REVISOR INSTRUCTION.**

66.26 In Minnesota Statutes and Minnesota Rules, the revisor of statutes shall strike
66.27 references to Minnesota Statutes, chapter 256L, and to statutory sections within that
66.28 chapter, and shall make all necessary grammatical and conforming changes.

66.29 **EFFECTIVE DATE.** This section is effective January 1, 2016.

66.30 Sec. 18. **REPEALER.**

66.31 Subdivision 1. MinnesotaCare program. Minnesota Statutes 2014, sections
66.32 256L.01, subdivisions 1, 1a, 1b, 2, 3, 3a, 5, 6, and 7; 256L.02, subdivisions 1, 2, 3, 5, and
66.33 6; 256L.03, subdivisions 1, 1a, 1b, 2, 3, 3a, 3b, 4, 4a, 5, and 6; 256L.04, subdivisions 1,

67.1 1a, 1c, 2, 2a, 7, 7a, 7b, 8, 10, 12, 13, and 14; 256L.05, subdivisions 1, 1a, 1b, 1c, 2, 3, 3a,
67.2 3c, 4, 5, and 6; 256L.06, subdivision 3; 256L.07, subdivisions 1, 2, 3, and 4; 256L.09,
67.3 subdivisions 1, 2, 4, 5, 6, and 7; 256L.10; 256L.11, subdivisions 1, 2, 2a, 3, 4, and 7;
67.4 256L.12; 256L.121; 256L.15, subdivisions 1, 1a, 1b, and 2; 256L.18; 256L.22; 256L.24;
67.5 256L.26; and 256L.28, are repealed.

67.6 Subd. 2. **Conforming repealers.** Minnesota Statutes 2014, sections 13.461,
67.7 subdivision 26; 16A.724, subdivision 3; 62A.046, subdivision 5; and 256.01, subdivision
67.8 35, are repealed.

67.9 **EFFECTIVE DATE.** This section is effective January 1, 2016.

67.10 **ARTICLE 3**

67.11 **MNSURE**

67.12 Section 1. **EXPANDED ACCESS TO QUALIFIED HEALTH PLANS AND** 67.13 **SUBSIDIES.**

67.14 The commissioner of commerce, in consultation with the Board of Directors of
67.15 MNsure and the MNsure Legislative Oversight Committee, shall develop a proposal to
67.16 allow individuals to purchase qualified health plans outside of MNsure directly from
67.17 health plan companies and to allow eligible individuals to receive advanced premium tax
67.18 credits and cost-sharing reductions when purchasing these health plans. The commissioner
67.19 shall seek all federal waivers and approvals necessary to implement this proposal.

67.20 The commissioner shall submit a draft proposal to the MNsure board and the MNsure
67.21 Legislative Oversight Committee at least 30 days before submitting a final proposal to the
67.22 federal government and shall notify the board and legislative oversight committee of any
67.23 federal decision or action related to the proposal.

67.24 Sec. 2. Minnesota Statutes 2014, section 15A.0815, subdivision 3, is amended to read:

67.25 Subd. 3. **Group II salary limits.** The salary for a position listed in this subdivision
67.26 shall not exceed 120 percent of the salary of the governor. This limit must be adjusted
67.27 annually on January 1. The new limit must equal the limit for the prior year increased
67.28 by the percentage increase, if any, in the Consumer Price Index for all urban consumers
67.29 from October of the second prior year to October of the immediately prior year. The
67.30 commissioner of management and budget must publish the limit on the department's Web
67.31 site. This subdivision applies to the following positions:

67.32 Executive director of Gambling Control Board;

67.33 Commissioner, Iron Range Resources and Rehabilitation Board;

68.1 Commissioner, Bureau of Mediation Services;
68.2 Ombudsman for Mental Health and Developmental Disabilities;
68.3 Chair, Metropolitan Council;
68.4 Executive Director, MNsure;
68.5 School trust lands director;
68.6 Executive director of pari-mutuel racing; and
68.7 Commissioner, Public Utilities Commission.

68.8 Sec. 3. Minnesota Statutes 2014, section 62A.02, subdivision 2, is amended to read:

68.9 Subd. 2. **Approval.** (a) The health plan form shall not be issued, nor shall any
68.10 application, rider, endorsement, or rate be used in connection with it, until the expiration
68.11 of 60 days after it has been filed unless the commissioner approves it before that time.

68.12 (b) Notwithstanding paragraph (a), a rate filed with respect to a policy of accident and
68.13 sickness insurance as defined in section 62A.01 by an insurer licensed under chapter 60A,
68.14 may be used on or after the date of filing with the commissioner. Rates that are not approved
68.15 or disapproved within the 60-day time period are deemed approved. This paragraph does
68.16 not apply to Medicare-related coverage as defined in section 62A.3099, subdivision 17.

68.17 (c) For coverage to begin on or after January 1, 2016, and each January 1 thereafter,
68.18 health plans in the individual and small group markets that are not grandfathered plans to
68.19 be offered outside MNsure and qualified health plans to be offered inside MNsure must
68.20 receive rate approval from the commissioner no later than 30 days prior to the beginning
68.21 of the annual open enrollment period for MNsure. Premium rates for all carriers in the
68.22 applicable market for the next calendar year must be made available to the public by the
68.23 commissioner only after all rates for the applicable market are final and approved. Final
68.24 and approved rates must be publicly released at a uniform time for all individual and small
68.25 group health plans that are not grandfathered plans to be offered outside MNsure and
68.26 qualified health plans to be offered inside MNsure, and no later than 30 days prior to the
68.27 beginning of the annual open enrollment period for MNsure.

68.28 Sec. 4. Minnesota Statutes 2014, section 62V.02, is amended by adding a subdivision
68.29 to read:

68.30 Subd. 2a. **Consumer assistance partner.** "Consumer assistance partner" means
68.31 individuals and entities certified by MNsure to serve as a navigator, in-person assister, or
68.32 certified application counselor.

68.33 Sec. 5. Minnesota Statutes 2014, section 62V.03, subdivision 2, is amended to read:

69.1 Subd. 2. **Application of other law.** (a) MNSure must be reviewed by the legislative
69.2 auditor under section 3.971. The legislative auditor shall audit the books, accounts, and
69.3 affairs of MNSure once each year or less frequently as the legislative auditor's funds and
69.4 personnel permit. Upon the audit of the financial accounts and affairs of MNSure, MNSure
69.5 is liable to the state for the total cost and expenses of the audit, including the salaries paid
69.6 to the examiners while actually engaged in making the examination. The legislative
69.7 auditor may bill MNSure either monthly or at the completion of the audit. All collections
69.8 received for the audits must be deposited in the general fund and are appropriated to
69.9 the legislative auditor. Pursuant to section 3.97, subdivision 3a, the Legislative Audit
69.10 Commission is requested to direct the legislative auditor to report by March 1, 2014, to
69.11 the legislature on any duplication of services that occurs within state government as a
69.12 result of the creation of MNSure. The legislative auditor may make recommendations on
69.13 consolidating or eliminating any services deemed duplicative. The board shall reimburse
69.14 the legislative auditor for any costs incurred in the creation of this report.

69.15 (b) Board members of MNSure are subject to sections 10A.07 and 10A.09. Board
69.16 members and the personnel of MNSure are subject to section 10A.071.

69.17 (c) All meetings of the board shall comply with the open meeting law in chapter
69.18 13D, ~~except that:~~

69.19 ~~(1) meetings, or portions of meetings, regarding compensation negotiations with the~~
69.20 ~~director or managerial staff may be closed in the same manner and according to the same~~
69.21 ~~procedures identified in section 13D.03;~~

69.22 ~~(2) meetings regarding contract negotiation strategy may be closed in the same~~
69.23 ~~manner and according to the same procedures identified in section 13D.05, subdivision 3,~~
69.24 ~~paragraph (c); and~~

69.25 ~~(3) meetings, or portions of meetings, regarding not public data described in section~~
69.26 ~~62V.06, subdivision 3, and regarding trade secret information as defined in section 13.37,~~
69.27 ~~subdivision 1, paragraph (b), are closed to the public, but must otherwise comply with~~
69.28 ~~the procedures identified in chapter 13D.~~

69.29 (d) MNSure and provisions specified under this chapter are exempt from:

69.30 ~~(1) chapter 14, including section 14.386, except as specified in section 62V.05; and~~

69.31 ~~(2) chapters 16B and 16C, with the exception of sections 16C.08, subdivision 2,~~
69.32 ~~paragraph (b), clauses (1) to (8); 16C.086; 16C.09, paragraph (a), clauses (1) and (3);~~
69.33 ~~paragraph (b), and paragraph (c); and section 16C.16. However, MNSure, in consultation~~
69.34 ~~with the commissioner of administration, shall implement policies and procedures to~~
69.35 ~~establish an open and competitive procurement process for MNSure that, to the extent~~
69.36 ~~practicable, conforms to the principles and procedures contained in chapters 16B and 16C.~~

70.1 ~~In addition, MNsure may enter into an agreement with the commissioner of administration~~
70.2 ~~for other services.~~

70.3 (e) The board and the Web site are exempt from chapter 60K. Any employee of
70.4 MNsure who sells, solicits, or negotiates insurance to individuals or small employers must
70.5 be licensed as an insurance producer under chapter 60K.

70.6 (f) Section 3.3005 applies to any federal funds received by MNsure.

70.7 ~~(g) MNsure is exempt from the following sections in chapter 16E: 16E.01,~~
70.8 ~~subdivision 3, paragraph (b); 16E.03, subdivisions 3 and 4; 16E.04, subdivision 1,~~
70.9 ~~subdivision 2, paragraph (c), and subdivision 3, paragraph (b); 16E.0465; 16E.055;~~
70.10 ~~16E.145; 16E.15; 16E.16; 16E.17; 16E.18; and 16E.22.~~

70.11 ~~(h)~~ (g) A MNsure decision that requires a vote of the board, other than a decision
70.12 that applies only to hiring of employees or other internal management of MNsure, is an
70.13 "administrative action" under section 10A.01, subdivision 2.

70.14 Sec. 6. Minnesota Statutes 2014, section 62V.04, subdivision 1, is amended to read:

70.15 Subdivision 1. **Board.** MNsure is governed by a board of directors with ~~seven~~ 11
70.16 members.

70.17 Sec. 7. Minnesota Statutes 2014, section 62V.04, subdivision 2, is amended to read:

70.18 Subd. 2. **Appointment.** (a) Board membership of MNsure consists of the following:

70.19 (1) ~~three~~ six members appointed by the governor with the advice and consent of
70.20 ~~both the senate and the house of representatives acting separately in accordance with~~
70.21 ~~paragraph (d),~~ with one member representing the interests of individual consumers eligible
70.22 for individual market coverage, one member representing individual consumers eligible
70.23 for public health care program coverage, ~~and~~ one member representing small employers,
70.24 one member who is an insurance producer, and two members who are county employees
70.25 involved in the administration of public health care programs. Members are appointed to
70.26 serve four-year terms following the initial staggered-term lot determination;

70.27 (2) three members appointed by the governor with the advice and consent of ~~both the~~
70.28 ~~senate and the house of representatives acting separately in accordance with paragraph (d)~~
70.29 who have demonstrated expertise, leadership, and innovation in the following areas: one
70.30 member representing the areas of health administration, health care finance, health plan
70.31 purchasing, and health care delivery systems; one member representing the areas of public
70.32 health, health disparities, public health care programs, and the uninsured; and one member
70.33 representing health policy issues related to the small group and individual markets.

71.1 Members are appointed to serve four-year terms following the initial staggered-term lot
71.2 determination; ~~and~~

71.3 (3) the commissioner of human services or a designee; and

71.4 (4) the chief information officer of MN.IT Services or a designee.

71.5 (b) Section 15.0597 shall apply to all appointments, except for the commissioner.

71.6 (c) The governor shall make appointments to the board that are consistent with
71.7 federal law and regulations regarding its composition and structure. All board members
71.8 appointed by the governor must be legal residents of Minnesota.

71.9 ~~(d) Upon appointment by the governor, a board member shall exercise duties of~~
71.10 ~~office immediately. If both the house of representatives and the senate vote not to confirm~~
71.11 ~~an appointment, the appointment terminates on the day following the vote not to confirm~~
71.12 ~~in the second body to vote.~~

71.13 ~~(e) Initial appointments shall be made by April 30, 2013.~~

71.14 ~~(f)~~ (d) One of the ~~six~~ nine members appointed under paragraph (a), clause (1) or (2),
71.15 must have experience in representing the needs of vulnerable populations and persons
71.16 with disabilities.

71.17 ~~(g)~~ (e) Membership on the board must include representation from outside the
71.18 seven-county metropolitan area, as defined in section 473.121, subdivision 2.

71.19 Sec. 8. Minnesota Statutes 2014, section 62V.04, subdivision 4, is amended to read:

71.20 Subd. 4. **Conflicts of interest.** (a) Within one year prior to or at any time during
71.21 their appointed term, board members appointed under subdivision 2, paragraph (a),
71.22 clauses (1) and (2), shall not be employed by, be a member of the board of directors of, or
71.23 otherwise be a representative of a health carrier, institutional health care provider or other
71.24 entity providing health care, navigator, ~~insurance producer~~, or other entity in the business
71.25 of selling items or services of significant value to or through MNsure. For purposes of this
71.26 paragraph, "health care provider or entity" does not include an academic institution.

71.27 (b) Board members must recuse themselves from discussion of and voting on
71.28 an official matter if the board member has a conflict of interest. For board members
71.29 other than an insurance producer or a county employee, a conflict of interest means an
71.30 association including a financial or personal association that has the potential to bias or
71.31 have the appearance of biasing a board member's decisions in matters related to MNsure
71.32 or the conduct of activities under this chapter. The board member who is an insurance
71.33 producer and the board members who are county employees are subject to section 10A.07.

71.34 (c) No board member shall have a spouse who is an executive of a health carrier.

72.1 (d) No member of the board may currently serve as a lobbyist, as defined under
72.2 section 10A.01, subdivision 21.

72.3 Sec. 9. **62V.045 EXECUTIVE DIRECTOR.**

72.4 The governor shall appoint the executive director of MNsure. The executive director
72.5 serves in the unclassified service at the pleasure of the governor.

72.6 Sec. 10. Minnesota Statutes 2014, section 62V.05, subdivision 1, is amended to read:

72.7 Subdivision 1. **General.** (a) The board shall operate MNsure according to this
72.8 chapter and applicable state and federal law.

72.9 (b) The board has the power to:

72.10 (1) employ personnel, subject to the power of the governor to appoint the executive
72.11 director, and delegate administrative, operational, and other responsibilities to the director
72.12 and other personnel as deemed appropriate by the board. This authority is subject to
72.13 chapters 43A and 179A. The director and managerial staff of MNsure shall serve in the
72.14 unclassified service and shall be governed by a compensation plan prepared by the board,
72.15 submitted to the commissioner of management and budget for review and comment within
72.16 14 days of its receipt, and approved by the Legislative Coordinating Commission and the
72.17 legislature under section 3.855, except that section 15A.0815, subdivision 5, paragraph
72.18 (e), shall not apply. The director of MNsure shall not receive a salary increase on or
72.19 after July 1, 2015, unless the increase is approved under the process specified in section
72.20 15A.0815, subdivision 5;

72.21 (2) establish the budget of MNsure;

72.22 (3) seek and accept money, grants, loans, donations, materials, services, or
72.23 advertising revenue from government agencies, philanthropic organizations, and public
72.24 and private sources to fund the operation of MNsure. No health carrier or insurance
72.25 producer shall advertise on MNsure;

72.26 (4) contract for the receipt and provision of goods and services;

72.27 (5) enter into information-sharing agreements with federal and state agencies and
72.28 other entities, provided the agreements include adequate protections with respect to
72.29 the confidentiality and integrity of the information to be shared, and comply with all
72.30 applicable state and federal laws, regulations, and rules, including the requirements of
72.31 section 62V.06; and

72.32 (6) exercise all powers reasonably necessary to implement and administer the
72.33 requirements of this chapter and the Affordable Care Act, Public Law 111-148.

73.1 (c) The board shall establish policies and procedures to gather public comment and
73.2 provide public notice in the State Register.

73.3 (d) Within 180 days of enactment, the board shall establish bylaws, policies, and
73.4 procedures governing the operations of MNsure in accordance with this chapter.

73.5 Sec. 11. Minnesota Statutes 2014, section 62V.05, subdivision 5, is amended to read:

73.6 Subd. 5. **Health carrier and health plan requirements; MNsure participation.**

73.7 ~~(a) Beginning January 1, 2015, the board may establish certification requirements~~
73.8 ~~for health carriers and health plans to be offered through MNsure that satisfy federal~~
73.9 ~~requirements under section 1311(e)(1) of the Affordable Care Act, Public Law 111-148.~~

73.10 ~~(b) Paragraph (a) does not apply if by June 1, 2013, the legislature enacts regulatory~~
73.11 ~~requirements that:~~

73.12 ~~(1) apply uniformly to all health carriers and health plans in the individual market;~~

73.13 ~~(2) apply uniformly to all health carriers and health plans in the small group market;~~

73.14 ~~and~~

73.15 ~~(3) satisfy minimum federal certification requirements under section 1311(e)(1) of~~
73.16 ~~the Affordable Care Act, Public Law 111-148.~~

73.17 ~~(e) In accordance with section 1311(e) of the Affordable Care Act, Public Law~~
73.18 ~~111-148, the board shall establish policies and procedures for certification and selection~~
73.19 ~~of health plans to be offered as qualified health plans through MNsure. The board shall~~
73.20 ~~certify and select a health plan as a qualified health plan to be offered through MNsure, if:~~

73.21 ~~(1) the health plan meets the minimum certification requirements established in~~
73.22 ~~paragraph (a) or the market regulatory requirements in paragraph (b);~~

73.23 ~~(2) the board determines that making the health plan available through MNsure is in~~
73.24 ~~the interest of qualified individuals and qualified employers;~~

73.25 ~~(3) the health carrier applying to offer the health plan through MNsure also applies~~
73.26 ~~to offer health plans at each actuarial value level and service area that the health carrier~~
73.27 ~~currently offers in the individual and small group markets; and~~

73.28 ~~(4) the health carrier does not apply to offer health plans in the individual and~~
73.29 ~~small group markets through MNsure under a separate license of a parent organization~~
73.30 ~~or holding company under section 60D.15, that is different from what the health carrier~~
73.31 ~~offers in the individual and small group markets outside MNsure.~~

73.32 ~~(d) In determining the interests of qualified individuals and employers under~~
73.33 ~~paragraph (c), clause (2), the board may not exclude a health plan for any reason specified~~
73.34 ~~under section 1311(e)(1)(B) of the Affordable Care Act, Public Law 111-148. The board~~
73.35 ~~may consider:~~

- 74.1 ~~(1) affordability;~~
74.2 ~~(2) quality and value of health plans;~~
74.3 ~~(3) promotion of prevention and wellness;~~
74.4 ~~(4) promotion of initiatives to reduce health disparities;~~
74.5 ~~(5) market stability and adverse selection;~~
74.6 ~~(6) meaningful choices and access;~~
74.7 ~~(7) alignment and coordination with state agency and private sector purchasing~~
74.8 ~~strategies and payment reform efforts; and~~
74.9 ~~(8) other criteria that the board determines appropriate.~~
74.10 ~~(e) For qualified health plans offered through MNsure on or after January 1, 2015,~~
74.11 ~~the board shall establish policies and procedures under paragraphs (c) and (d) for selection~~
74.12 ~~of health plans to be offered as qualified health plans through MNsure by February 1~~
74.13 ~~of each year, beginning February 1, 2014. The board shall consistently and uniformly~~
74.14 ~~apply all policies and procedures and any requirements, standards, or criteria to all health~~
74.15 ~~carriers and health plans. For any policies, procedures, requirements, standards, or criteria~~
74.16 ~~that are defined as rules under section 14.02, subdivision 4, the board may use the process~~
74.17 ~~described in subdivision 9.~~
74.18 ~~(f) For 2014, the board shall not have the power to select health carriers and health~~
74.19 ~~plans for participation in MNsure. The board shall permit all health plans that meet the~~
74.20 ~~certification requirements under section 1311(c)(1) of the Affordable Care Act, Public~~
74.21 ~~Law 111-148, to be offered through MNsure.~~
74.22 (a) The board shall permit all health plans that meet the applicable certification
74.23 requirements to be offered through MNsure.
74.24 ~~(g) (b) Under this subdivision, the board shall have the power to verify that health~~
74.25 ~~carriers and health plans are properly certified to be eligible for participation in MNsure.~~
74.26 ~~(h) (c) The board has the authority to decertify health carriers and health plans that~~
74.27 ~~fail to maintain compliance with section 1311(c)(1) of the Affordable Care Act, Public~~
74.28 ~~Law 111-148.~~
74.29 ~~(i) (d) For qualified health plans offered through MNsure beginning January 1,~~
74.30 ~~2015, health carriers must use the most current addendum for Indian health care providers~~
74.31 ~~approved by the Centers for Medicare and Medicaid Services and the tribes as part of their~~
74.32 ~~contracts with Indian health care providers. MNsure shall comply with all future changes~~
74.33 ~~in federal law with regard to health coverage for the tribes.~~

74.34 **EFFECTIVE DATE.** This section is effective July 1, 2015.

74.35 Sec. 12. Minnesota Statutes 2014, section 62V.05, subdivision 6, is amended to read:

75.1 Subd. 6. **Appeals.** (a) The board may conduct hearings, appoint hearing officers,
75.2 and recommend final orders related to appeals of any MNsure determinations, except for
75.3 those determinations identified in paragraph (d). An appeal by a health carrier regarding
75.4 a specific certification ~~or selection~~ determination made by MNsure under subdivision 5
75.5 must be conducted as a contested case proceeding under chapter 14, with the report or
75.6 order of the administrative law judge constituting the final decision in the case, subject to
75.7 judicial review under sections 14.63 to 14.69. For other appeals, the board shall establish
75.8 hearing processes which provide for a reasonable opportunity to be heard and timely
75.9 resolution of the appeal and which are consistent with the requirements of federal law and
75.10 guidance. An appealing party may be represented by legal counsel at these hearings, but
75.11 this is not a requirement.

75.12 (b) MNsure may establish service-level agreements with state agencies to conduct
75.13 hearings for appeals. Notwithstanding section 471.59, subdivision 1, a state agency is
75.14 authorized to enter into service-level agreements for this purpose with MNsure.

75.15 (c) For proceedings under this subdivision, MNsure may be represented by an
75.16 attorney who is an employee of MNsure.

75.17 (d) This subdivision does not apply to appeals of determinations where a state
75.18 agency hearing is available under section 256.045.

75.19 Sec. 13. Minnesota Statutes 2014, section 62V.05, is amended by adding a subdivision
75.20 to read:

75.21 Subd. 11. **Health carrier notification.** MNsure shall provide a health carrier with
75.22 enrollment information for MNsure enrollees who have selected a qualified health plan
75.23 that is offered by that health carrier and who have been determined by MNsure to be
75.24 eligible for qualified health plan coverage. The enrollment information must be sufficient
75.25 for the health carrier to issue coverage and must be provided within 48 hours of the
75.26 determination of eligibility by MNsure.

75.27 Sec. 14. Minnesota Statutes 2014, section 62V.05, is amended by adding a subdivision
75.28 to read:

75.29 Subd. 12. **Purchase of individual health coverage.** For coverage taking effect on
75.30 or after January 1, 2016, the MNsure board shall provide members of a household with the
75.31 option of purchasing individual health coverage through MNsure and shall apportion any
75.32 advanced premium tax credit available to a household choosing this option between the
75.33 separate health plans providing coverage to the household members.

76.1 Sec. 15. Minnesota Statutes 2014, section 62V.05, is amended by adding a subdivision
76.2 to read:

76.3 Subd. 13. **Prohibition on other product lines.** MNsure is prohibited from
76.4 certifying, selecting, or offering products and policies of coverage that do not meet the
76.5 definition of health plan or dental plan as provided in section 62V.02.

76.6 Sec. 16. Minnesota Statutes 2014, section 62V.11, subdivision 2, is amended to read:

76.7 **Subd. 2. Membership; meetings; compensation.** (a) The Legislative Oversight
76.8 Committee shall consist of five members of the senate, three members appointed by
76.9 the majority leader of the senate, and two members appointed by the minority leader of
76.10 the senate; and five members of the house of representatives, three members appointed
76.11 by the speaker of the house, and two members appointed by the minority leader of the
76.12 house of representatives.

76.13 (b) Appointed legislative members serve at the pleasure of the appointing authority
76.14 and shall continue to serve until their successors are appointed.

76.15 (c) The first meeting of the committee shall be convened by the chair of the
76.16 Legislative Coordinating Commission. Members shall elect a chair at the first meeting.
76.17 The chair must convene at least one meeting annually each quarter of the year, and may
76.18 convene other meetings as deemed necessary.

76.19 Sec. 17. Minnesota Statutes 2014, section 62V.11, is amended by adding a subdivision
76.20 to read:

76.21 Subd. 5. **Reports to the committee.** (a) The board shall submit an enrollment report
76.22 to the Legislative Oversight Committee on a monthly basis. The report must include:

76.23 (1) total enrollment numbers;

76.24 (2) the number of commercial plans selected;

76.25 (3) the percentage of the commercial plans for which the first month's premium
76.26 has been paid; and

76.27 (4) the average number of days between a consumer's submission of an application
76.28 and transmittal to the health carrier chosen.

76.29 (b) At each of the committee's quarterly meetings, the board shall present the
76.30 following information:

76.31 (1) at the first quarterly meeting, a progress report on the most recent MNsure
76.32 open enrollment period and a progress report on technology upgrades and any proposed
76.33 schedule for future technology upgrades;

77.1 (2) at the second quarterly meeting, the annual budget for MNsure, as required by
77.2 subdivision 4;

77.3 (3) at the third quarterly meeting, a hearing in conjunction with the Department of
77.4 Human Services regarding any backlog created by qualifying life events for enrollees in
77.5 public or private health plans through MNsure; and

77.6 (4) at the fourth quarterly meeting, a hearing in conjunction with the Department of
77.7 Commerce on the release of premium rates and in conjunction with the Department of
77.8 Human Services on reimbursement of MNsure for public program enrollment.

77.9 Sec. 18. Minnesota Statutes 2014, section 245C.03, is amended by adding a
77.10 subdivision to read:

77.11 Subd. 10. **MNsure consumer assistance partners.** Effective January 1, 2016, the
77.12 commissioner shall conduct background studies on any individual required under section
77.13 256.962, subdivision 9, to have a background study completed under this chapter.

77.14 Sec. 19. Minnesota Statutes 2014, section 245C.10, is amended by adding a
77.15 subdivision to read:

77.16 Subd. 11. **MNsure consumer assistance partners.** The commissioner shall recover
77.17 the cost of background studies required under section 256.962, subdivision 9, through
77.18 a fee of no more than \$20 per study. The fees collected under this subdivision are
77.19 appropriated to the commissioner for the purpose of conducting background studies.

77.20 Sec. 20. Minnesota Statutes 2014, section 256.962, is amended by adding a subdivision
77.21 to read:

77.22 Subd. 9. **Background studies for consumer assistance partners.** Effective January
77.23 1, 2016, all consumer assistance partners, as defined in section 62V.02, subdivision 2a, are
77.24 required to undergo a background study according to the requirements of chapter 245C.

77.25 Sec. 21. **TRANSITION.**

77.26 (a) The commissioner of management and budget must assign the positions of
77.27 managerial employees of MNsure, other than the director, to salary ranges and salaries in
77.28 the managerial plan, effective the first payroll period beginning on or after July 1, 2015.

77.29 (b) Of the four additional members of the board appointed under the amendments
77.30 to Minnesota Statutes, section 62V.04, one shall have an initial term of two years, two
77.31 shall have an initial term of three years, and one shall have an initial term of four years,
77.32 determined by lot by the secretary of state.

78.1 (c) Board members must be appointed by the governor within 30 days of final
78.2 enactment of these sections.

78.3 **Sec. 22. EXPANDED ACCESS TO THE SMALL BUSINESS HEALTH CARE**
78.4 **TAX CREDIT.**

78.5 (a) The commissioner of human services, in consultation with the Board of Directors
78.6 of MNsure and the MNsure Legislative Oversight Committee, shall develop a proposal
78.7 to allow small employers the ability to receive the small business health care tax credit
78.8 when the small employer pays the premiums on behalf of employees enrolled in either a
78.9 qualified health plan offered through a small business health options program (SHOP)
78.10 marketplace or a small group health plan offered outside of the SHOP marketplace within
78.11 MNsure. To be eligible for the tax credit, the small employer must meet the requirements
78.12 under the Affordable Care Act, except that employees may be enrolled in a small group
78.13 health plan product offered outside of MNsure.

78.14 (b) The commissioner shall seek all federal waivers and approvals necessary to
78.15 implement the proposal in paragraph (a). The commissioner shall submit a draft proposal
78.16 to the MNsure board and the MNsure Legislative Oversight Committee at least 30 days
78.17 before submitting a final proposal to the federal government, and shall notify the board
78.18 and Legislative Oversight Committee of any federal decision or action received regarding
78.19 the proposal and submitted waiver.

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

78.21 **Sec. 23. CONFIRMATION DEADLINE.**

78.22 Members of the MNsure Board on the effective date of this section and new
78.23 members appointed as required by the amendments to Minnesota Statutes, section 62V.04,
78.24 are subject to confirmation by the senate. If any of these members is not confirmed by the
78.25 senate before adjournment sine die of the 2016 regular session, the appointment of that
78.26 member to the board terminates on the day following adjournment sine die.

78.27 **Sec. 24. ESTABLISHMENT OF FEDERALLY FACILITATED**
78.28 **MARKETPLACE.**

78.29 Subdivision 1. **Establishment.** The commissioner of commerce, in cooperation
78.30 with the secretary of Health and Human Services, shall establish a federally facilitated
78.31 marketplace for Minnesota, for coverage beginning January 1, 2017. The federally
78.32 facilitated marketplace shall take the place of MNsure, established under Minnesota

79.1 Statutes, chapter 62V. In working with the secretary of Health and Human Services to
79.2 develop the federally facilitated marketplace, the commissioner of commerce shall:

79.3 (1) seek to incorporate, where appropriate and cost-effective, elements of the
79.4 MNsure eligibility determination system;

79.5 (2) regularly consult with stakeholder groups, including but not limited to
79.6 representatives of state agencies, health care providers, health plan companies, brokers,
79.7 and consumers; and

79.8 (3) seek all available federal grants and funds for state planning and development
79.9 costs.

79.10 Subd. 2. **Implementation plan; draft legislation.** The commissioner of commerce,
79.11 in consultation with the commissioner of human services, the chief information officer
79.12 of MN.IT, and the MNsure Board, shall develop and present to the 2016 legislature an
79.13 implementation plan for conversion to a federally facilitated marketplace. The plan must
79.14 include draft legislation for any changes in state law necessary to implement a federally
79.15 facilitated marketplace, including but not limited to necessary changes to Laws 2013,
79.16 chapter 84, and technical and conforming changes related to the repeal of Minnesota
79.17 Statutes, chapter 62V.

79.18 Subd. 3. **Vendor contract.** The commissioner of commerce, in consultation with
79.19 the commissioner of human services, the chief information officer of MN.IT, and the
79.20 MNsure Board, shall contract with a vendor to provide technical assistance in developing
79.21 and implementing the plan for conversion to a federally facilitated marketplace.

79.22 Subd. 4. **Contingent implementation.** The commissioner shall not implement
79.23 this section if the United States Supreme Court rules in King v. Burwell (No. 14-114)
79.24 that persons obtaining qualified health plan coverage through a federally facilitated
79.25 marketplace are not eligible for advanced premium tax credits.

79.26 Sec. 25. **REQUIREMENTS FOR STATE MATCH FOR FEDERAL GRANTS.**

79.27 (a) The legislature shall not appropriate or authorize the use of state funds, and the
79.28 MNsure Board and the commissioner of human services shall not allocate, authorize the
79.29 use of, or expend board or agency funds, as a state match to obtain federal grant funding
79.30 for MNsure, including, but not limited to, grants to support the development and operation
79.31 of the MNsure eligibility determination system, unless the following conditions are met:

79.32 (1) 20 percent of the state match and 20 percent of federal grant funds received are
79.33 deposited into a premium reimbursement account established by the MNsure Board, for
79.34 use as provided in paragraph (b);

80.1 (2) the commissioner of human services and the legislative auditor have verified
80.2 that all persons currently enrolled in medical assistance and MinnesotaCare, who were
80.3 enrolled in medical assistance or MinnesotaCare as of September 30, 2013, have had their
80.4 eligibility for the program redetermined at least once since September 30, 2013;

80.5 (3) the administrative costs of MNsure are less than five percent of MNsure's total
80.6 operating budget in each year; and

80.7 (4) verification from the Office of the Legislative Auditor that:

80.8 (i) all life events or changes in circumstances are being processed in a timely manner
80.9 by MNsure and the Department of Human Services; and

80.10 (ii) MNsure is transmitting electronic enrollment files in a format that conforms with
80.11 standards under the federal Health Insurance Portability and Accountability Act of 1996.

80.12 (b) Funds deposited into the premium reimbursement account shall be used only to
80.13 reimburse the first month's premium for health coverage for any individual who submitted
80.14 a complete application for qualified health plan coverage through MNsure, but did not
80.15 receive their policy card or other appropriate verification of coverage within 20 days of
80.16 submittal of the completed application to MNsure. The MNsure Board shall provide this
80.17 reimbursement on a first-come, first-served basis, subject to the limits of available funding.

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

80.19 Sec. 26. **REPEALER.**

80.20 (a) Minnesota Statutes 2014, sections 62V.01; 62V.02; 62V.03; 62V.04; 62V.05;
80.21 62V.06; 62V.07; 62V.08; 62V.09; 62V.10; and 62V.11, are repealed, effective January 1,
80.22 2017. This repealer shall not take effect if the United States Supreme Court rules in King
80.23 v. Burwell (No. 14-114) that persons obtaining qualified health plan coverage through a
80.24 federally facilitated marketplace are not eligible for advanced premium tax credits.

80.25 (b) Minnesota Statutes 2014, section 13D.08, subdivision 5a, is repealed.

80.26 **ARTICLE 4**

80.27 **CONTINUING CARE**

80.28 Section 1. Minnesota Statutes 2014, section 13.461, is amended by adding a
80.29 subdivision to read:

80.30 Subd. 32. **ABLE accounts and designated beneficiaries.** Data on ABLE accounts
80.31 and designated beneficiaries of ABLE accounts are classified under section 256Q.05,
80.32 subdivision 7.

81.1 Sec. 2. Minnesota Statutes 2014, section 245A.06, is amended by adding a subdivision
81.2 to read:

81.3 Subd. 1a. **Correction orders and conditional licenses for programs licensed as**
81.4 **home and community-based services.** (a) For programs licensed under both this chapter
81.5 and chapter 245D, if the license holder operates more than one service site under a single
81.6 license governed by chapter 245D, the order issued under this section shall be specific to
81.7 the service site or sites at which the violations of applicable law or rules occurred. The
81.8 order shall not apply to other service sites governed by chapter 245D and operated by the
81.9 same license holder unless the commissioner has included in the order the articulable basis
81.10 for applying the order to another service site.

81.11 (b) If the commissioner has issued more than one license to the license holder under
81.12 this chapter, the conditions imposed under this section shall be specific to the license for
81.13 the program at which the violations of applicable law or rules occurred and shall not apply
81.14 to other licenses held by the same license holder if those programs are being operated in
81.15 substantial compliance with applicable law and rules.

81.16 Sec. 3. **[245A.081] SETTLEMENT AGREEMENT.**

81.17 (a) A license holder who has made a timely appeal pursuant to section 245A.06,
81.18 subdivision 4, or 245A.07, subdivision 3, or the commissioner may initiate a discussion
81.19 about a possible settlement agreement related to the licensing sanction. For the purposes
81.20 of this section, the following conditions apply to a settlement agreement reached by the
81.21 parties:

81.22 (1) if the parties enter into a settlement agreement, the effect of the agreement shall
81.23 be that the appeal is withdrawn and the agreement shall constitute the full agreement
81.24 between the commissioner and the party who filed the appeal; and

81.25 (2) the settlement agreement must identify the agreed upon actions the license holder
81.26 has taken and will take in order to achieve and maintain compliance with the licensing
81.27 requirements that the commissioner determined the license holder had violated.

81.28 (b) Neither the license holder nor the commissioner is required to initiate a
81.29 settlement discussion under this section.

81.30 (c) If a settlement discussion is initiated by the license holder, the commissioner
81.31 shall respond to the license holder within 14 calendar days of receipt of the license
81.32 holder's submission.

81.33 (d) If the commissioner agrees to engage in settlement discussions, the commissioner
81.34 may decide at any time not to continue settlement discussions with a license holder.

82.1 Sec. 4. Minnesota Statutes 2014, section 245A.155, subdivision 1, is amended to read:

82.2 Subdivision 1. **Licensed foster care and respite care.** This section applies to
82.3 foster care agencies and licensed foster care providers who place, supervise, or care for
82.4 individuals who rely on medical monitoring equipment to sustain life or monitor a medical
82.5 condition that could become life-threatening without proper use of the medical equipment
82.6 in respite care or foster care.

82.7 Sec. 5. Minnesota Statutes 2014, section 245A.155, subdivision 2, is amended to read:

82.8 Subd. 2. **Foster care agency requirements.** In order for an agency to place an
82.9 individual who relies on medical equipment to sustain life or monitor a medical condition
82.10 that could become life-threatening without proper use of the medical equipment with a
82.11 foster care provider, the agency must ensure that the foster care provider has received the
82.12 training to operate such equipment as observed and confirmed by a qualified source,
82.13 and that the provider:

82.14 (1) is currently caring for an individual who is using the same equipment in the
82.15 foster home; or

82.16 (2) has written documentation that the foster care provider has cared for an
82.17 individual who relied on such equipment within the past six months; or

82.18 (3) has successfully completed training with the individual being placed with the
82.19 provider.

82.20 Sec. 6. Minnesota Statutes 2014, section 245A.65, subdivision 2, is amended to read:

82.21 Subd. 2. **Abuse prevention plans.** All license holders shall establish and enforce
82.22 ongoing written program abuse prevention plans and individual abuse prevention plans as
82.23 required under section 626.557, subdivision 14.

82.24 (a) The scope of the program abuse prevention plan is limited to the population,
82.25 physical plant, and environment within the control of the license holder and the location
82.26 where licensed services are provided. In addition to the requirements in section 626.557,
82.27 subdivision 14, the program abuse prevention plan shall meet the requirements in clauses
82.28 (1) to (5).

82.29 (1) The assessment of the population shall include an evaluation of the following
82.30 factors: age, gender, mental functioning, physical and emotional health or behavior of the
82.31 client; the need for specialized programs of care for clients; the need for training of staff to
82.32 meet identified individual needs; and the knowledge a license holder may have regarding
82.33 previous abuse that is relevant to minimizing risk of abuse for clients.

83.1 (2) The assessment of the physical plant where the licensed services are provided
83.2 shall include an evaluation of the following factors: the condition and design of the
83.3 building as it relates to the safety of the clients; and the existence of areas in the building
83.4 which are difficult to supervise.

83.5 (3) The assessment of the environment for each facility and for each site when living
83.6 arrangements are provided by the agency shall include an evaluation of the following
83.7 factors: the location of the program in a particular neighborhood or community; the type
83.8 of grounds and terrain surrounding the building; the type of internal programming; and
83.9 the program's staffing patterns.

83.10 (4) The license holder shall provide an orientation to the program abuse prevention
83.11 plan for clients receiving services. If applicable, the client's legal representative must be
83.12 notified of the orientation. The license holder shall provide this orientation for each new
83.13 person within 24 hours of admission, or for persons who would benefit more from a later
83.14 orientation, the orientation may take place within 72 hours.

83.15 (5) The license holder's governing body or the governing body's delegated
83.16 representative shall review the plan at least annually using the assessment factors in the
83.17 plan and any substantiated maltreatment findings that occurred since the last review. The
83.18 governing body or the governing body's delegated representative shall revise the plan,
83.19 if necessary, to reflect the review results.

83.20 (6) A copy of the program abuse prevention plan shall be posted in a prominent
83.21 location in the program and be available upon request to mandated reporters, persons
83.22 receiving services, and legal representatives.

83.23 (b) In addition to the requirements in section 626.557, subdivision 14, the individual
83.24 abuse prevention plan shall meet the requirements in clauses (1) and (2).

83.25 (1) The plan shall include a statement of measures that will be taken to minimize the
83.26 risk of abuse to the vulnerable adult when the individual assessment required in section
83.27 626.557, subdivision 14, paragraph (b), indicates the need for measures in addition to the
83.28 specific measures identified in the program abuse prevention plan. The measures shall
83.29 include the specific actions the program will take to minimize the risk of abuse within
83.30 the scope of the licensed services, and will identify referrals made when the vulnerable
83.31 adult is susceptible to abuse outside the scope or control of the licensed services. When
83.32 the assessment indicates that the vulnerable adult does not need specific risk reduction
83.33 measures in addition to those identified in the program abuse prevention plan, the
83.34 individual abuse prevention plan shall document this determination.

83.35 (2) An individual abuse prevention plan shall be developed for each new person as
83.36 part of the initial individual program plan or service plan required under the applicable

84.1 licensing rule. The review and evaluation of the individual abuse prevention plan shall
84.2 be done as part of the review of the program plan or service plan. The person receiving
84.3 services shall participate in the development of the individual abuse prevention plan to the
84.4 full extent of the person's abilities. If applicable, the person's legal representative shall be
84.5 given the opportunity to participate with or for the person in the development of the plan.
84.6 The interdisciplinary team shall document the review of all abuse prevention plans at least
84.7 annually, using the individual assessment and any reports of abuse relating to the person.
84.8 The plan shall be revised to reflect the results of this review.

84.9 Sec. 7. Minnesota Statutes 2014, section 245D.02, is amended by adding a subdivision
84.10 to read:

84.11 Subd. 37. **Working day.** "Working day" means Monday, Tuesday, Wednesday,
84.12 Thursday, or Friday, excluding any legal holiday.

84.13 Sec. 8. Minnesota Statutes 2014, section 245D.05, subdivision 1, is amended to read:

84.14 Subdivision 1. **Health needs.** (a) The license holder is responsible for meeting
84.15 health service needs assigned in the coordinated service and support plan or the
84.16 coordinated service and support plan addendum, consistent with the person's health needs.
84.17 Unless directed otherwise in the coordinated service and support plan or the coordinated
84.18 service and support plan addendum, the license holder is responsible for promptly
84.19 notifying the person's legal representative, if any, and the case manager of changes in a
84.20 person's physical and mental health needs affecting health service needs assigned to the
84.21 license holder in the coordinated service and support plan or the coordinated service
84.22 and support plan addendum, when discovered by the license holder, unless the license
84.23 holder has reason to know the change has already been reported. The license holder
84.24 must document when the notice is provided.

84.25 (b) If responsibility for meeting the person's health service needs has been assigned
84.26 to the license holder in the coordinated service and support plan or the coordinated service
84.27 and support plan addendum, the license holder must maintain documentation on how the
84.28 person's health needs will be met, including a description of the procedures the license
84.29 holder will follow in order to:

84.30 (1) provide medication setup, assistance, or administration according to this chapter.
84.31 Unlicensed staff responsible for medication setup or medication administration under this
84.32 section must complete training according to section 245D.09, subdivision 4a, paragraph (d);

84.33 (2) monitor health conditions according to written instructions from a licensed
84.34 health professional;

- 85.1 (3) assist with or coordinate medical, dental, and other health service appointments; or
85.2 (4) use medical equipment, devices, or adaptive aides or technology safely and
85.3 correctly according to written instructions from a licensed health professional.

85.4 Sec. 9. Minnesota Statutes 2014, section 245D.05, subdivision 2, is amended to read:

85.5 Subd. 2. **Medication administration.** (a) For purposes of this subdivision,
85.6 "medication administration" means:

- 85.7 (1) checking the person's medication record;
85.8 (2) preparing the medication as necessary;
85.9 (3) administering the medication or treatment to the person;
85.10 (4) documenting the administration of the medication or treatment or the reason for
85.11 not administering the medication or treatment; and
85.12 (5) reporting to the prescriber or a nurse any concerns about the medication or
85.13 treatment, including side effects, effectiveness, or a pattern of the person refusing to
85.14 take the medication or treatment as prescribed. Adverse reactions must be immediately
85.15 reported to the prescriber or a nurse.

85.16 (b)(1) If responsibility for medication administration is assigned to the license holder
85.17 in the coordinated service and support plan or the coordinated service and support plan
85.18 addendum, the license holder must implement medication administration procedures to
85.19 ensure a person takes medications and treatments as prescribed. The license holder must
85.20 ensure that the requirements in clauses (2) and (3) have been met before administering
85.21 medication or treatment.

85.22 (2) The license holder must obtain written authorization from the person or the
85.23 person's legal representative to administer medication or treatment ~~and must obtain~~
85.24 ~~reauthorization annually as needed.~~ This authorization shall remain in effect unless it is
85.25 withdrawn in writing and may be withdrawn at any time. If the person or the person's
85.26 legal representative refuses to authorize the license holder to administer medication, the
85.27 medication must not be administered. The refusal to authorize medication administration
85.28 must be reported to the prescriber as expeditiously as possible.

85.29 (3) For a license holder providing intensive support services, the medication or
85.30 treatment must be administered according to the license holder's medication administration
85.31 policy and procedures as required under section 245D.11, subdivision 2, clause (3).

85.32 (c) The license holder must ensure the following information is documented in the
85.33 person's medication administration record:

- 85.34 (1) the information on the current prescription label or the prescriber's current
85.35 written or electronically recorded order or prescription that includes the person's name,

86.1 description of the medication or treatment to be provided, and the frequency and other
86.2 information needed to safely and correctly administer the medication or treatment to
86.3 ensure effectiveness;

86.4 (2) information on any risks or other side effects that are reasonable to expect, and
86.5 any contraindications to its use. This information must be readily available to all staff
86.6 administering the medication;

86.7 (3) the possible consequences if the medication or treatment is not taken or
86.8 administered as directed;

86.9 (4) instruction on when and to whom to report the following:

86.10 (i) if a dose of medication is not administered or treatment is not performed as
86.11 prescribed, whether by error by the staff or the person or by refusal by the person; and

86.12 (ii) the occurrence of possible adverse reactions to the medication or treatment;

86.13 (5) notation of any occurrence of a dose of medication not being administered or
86.14 treatment not performed as prescribed, whether by error by the staff or the person or by
86.15 refusal by the person, or of adverse reactions, and when and to whom the report was
86.16 made; and

86.17 (6) notation of when a medication or treatment is started, administered, changed, or
86.18 discontinued.

86.19 Sec. 10. Minnesota Statutes 2014, section 245D.06, subdivision 1, is amended to read:

86.20 Subdivision 1. **Incident response and reporting.** (a) The license holder must
86.21 respond to incidents under section 245D.02, subdivision 11, that occur while providing
86.22 services to protect the health and safety of and minimize risk of harm to the person.

86.23 (b) The license holder must maintain information about and report incidents to the
86.24 person's legal representative or designated emergency contact and case manager within
86.25 24 hours of an incident occurring while services are being provided, within 24 hours of
86.26 discovery or receipt of information that an incident occurred, unless the license holder
86.27 has reason to know that the incident has already been reported, or as otherwise directed
86.28 in a person's coordinated service and support plan or coordinated service and support
86.29 plan addendum. An incident of suspected or alleged maltreatment must be reported as
86.30 required under paragraph (d), and an incident of serious injury or death must be reported
86.31 as required under paragraph (e).

86.32 (c) When the incident involves more than one person, the license holder must not
86.33 disclose personally identifiable information about any other person when making the report
86.34 to each person and case manager unless the license holder has the consent of the person.

87.1 (d) Within 24 hours of reporting maltreatment as required under section 626.556
87.2 or 626.557, the license holder must inform the case manager of the report unless there is
87.3 reason to believe that the case manager is involved in the suspected maltreatment. The
87.4 license holder must disclose the nature of the activity or occurrence reported and the
87.5 agency that received the report.

87.6 (e) The license holder must report the death or serious injury of the person as
87.7 required in paragraph (b) and to the Department of Human Services Licensing Division,
87.8 and the Office of Ombudsman for Mental Health and Developmental Disabilities as
87.9 required under section 245.94, subdivision 2a, within 24 hours of the death or serious
87.10 injury, or receipt of information that the death or serious injury occurred, unless the license
87.11 holder has reason to know that the death or serious injury has already been reported.

87.12 (f) When a death or serious injury occurs in a facility certified as an intermediate
87.13 care facility for persons with developmental disabilities, the death or serious injury must
87.14 be reported to the Department of Health, Office of Health Facility Complaints, and the
87.15 Office of Ombudsman for Mental Health and Developmental Disabilities, as required
87.16 under sections 245.91 and 245.94, subdivision 2a, unless the license holder has reason to
87.17 know that the death or serious injury has already been reported.

87.18 (g) The license holder must conduct an internal review of incident reports of deaths
87.19 and serious injuries that occurred while services were being provided and that were not
87.20 reported by the program as alleged or suspected maltreatment, for identification of incident
87.21 patterns, and implementation of corrective action as necessary to reduce occurrences.
87.22 The review must include an evaluation of whether related policies and procedures were
87.23 followed, whether the policies and procedures were adequate, whether there is a need for
87.24 additional staff training, whether the reported event is similar to past events with the
87.25 persons or the services involved, and whether there is a need for corrective action by the
87.26 license holder to protect the health and safety of persons receiving services. Based on
87.27 the results of this review, the license holder must develop, document, and implement a
87.28 corrective action plan designed to correct current lapses and prevent future lapses in
87.29 performance by staff or the license holder, if any.

87.30 (h) The license holder must verbally report the emergency use of manual restraint
87.31 of a person as required in paragraph (b) within 24 hours of the occurrence. The license
87.32 holder must ensure the written report and internal review of all incident reports of the
87.33 emergency use of manual restraints are completed according to the requirements in section
87.34 245D.061 or successor provisions.

87.35 Sec. 11. Minnesota Statutes 2014, section 245D.06, subdivision 2, is amended to read:

88.1 Subd. 2. **Environment and safety.** The license holder must:

88.2 (1) ensure the following when the license holder is the owner, lessor, or tenant
88.3 of the service site:

88.4 (i) the service site is a safe and hazard-free environment;

88.5 (ii) that toxic substances or dangerous items are inaccessible to persons served by
88.6 the program only to protect the safety of a person receiving services when a known safety
88.7 threat exists and not as a substitute for staff supervision or interactions with a person who
88.8 is receiving services. If toxic substances or dangerous items are made inaccessible, the
88.9 license holder must document an assessment of the physical plant, its environment, and its
88.10 population identifying the risk factors which require toxic substances or dangerous items
88.11 to be inaccessible and a statement of specific measures to be taken to minimize the safety
88.12 risk to persons receiving services and to restore accessibility to all persons receiving
88.13 services at the service site;

88.14 (iii) doors are locked from the inside to prevent a person from exiting only when
88.15 necessary to protect the safety of a person receiving services and not as a substitute for
88.16 staff supervision or interactions with the person. If doors are locked from the inside, the
88.17 license holder must document an assessment of the physical plant, the environment and
88.18 the population served, identifying the risk factors which require the use of locked doors,
88.19 and a statement of specific measures to be taken to minimize the safety risk to persons
88.20 receiving services at the service site; and

88.21 (iv) a staff person is available at the service site who is trained in basic first aid and,
88.22 when required in a person's coordinated service and support plan or coordinated service
88.23 and support plan addendum, cardiopulmonary resuscitation (CPR) whenever persons are
88.24 present and staff are required to be at the site to provide direct support service. The CPR
88.25 training must include ~~in-person~~ instruction, hands-on practice, and an observed skills
88.26 assessment under the direct supervision of a CPR instructor;

88.27 (2) maintain equipment, vehicles, supplies, and materials owned or leased by the
88.28 license holder in good condition when used to provide services;

88.29 (3) follow procedures to ensure safe transportation, handling, and transfers of the
88.30 person and any equipment used by the person, when the license holder is responsible for
88.31 transportation of a person or a person's equipment;

88.32 (4) be prepared for emergencies and follow emergency response procedures to
88.33 ensure the person's safety in an emergency; and

88.34 (5) follow universal precautions and sanitary practices, including hand washing, for
88.35 infection prevention and control, and to prevent communicable diseases.

89.1 Sec. 12. Minnesota Statutes 2014, section 245D.06, subdivision 7, is amended to read:

89.2 Subd. 7. **Permitted actions and procedures.** (a) Use of the instructional techniques
89.3 and intervention procedures as identified in paragraphs (b) and (c) is permitted when used
89.4 on an intermittent or continuous basis. When used on a continuous basis, it must be
89.5 addressed in a person's coordinated service and support plan addendum as identified in
89.6 sections 245D.07 and 245D.071. For purposes of this chapter, the requirements of this
89.7 subdivision supersede the requirements identified in Minnesota Rules, part 9525.2720.

89.8 (b) Physical contact or instructional techniques must use the least restrictive
89.9 alternative possible to meet the needs of the person and may be used:

89.10 (1) to calm or comfort a person by holding that person with no resistance from
89.11 that person;

89.12 (2) to protect a person known to be at risk of injury due to frequent falls as a result
89.13 of a medical condition;

89.14 (3) to facilitate the person's completion of a task or response when the person does
89.15 not resist or the person's resistance is minimal in intensity and duration;

89.16 (4) to block or redirect a person's limbs or body without holding the person or
89.17 limiting the person's movement to interrupt the person's behavior that may result in injury
89.18 to self or others with less than 60 seconds of physical contact by staff; or

89.19 (5) to redirect a person's behavior when the behavior does not pose a serious threat
89.20 to the person or others and the behavior is effectively redirected with less than 60 seconds
89.21 of physical contact by staff.

89.22 (c) Restraint may be used as an intervention procedure to:

89.23 (1) allow a licensed health care professional to safely conduct a medical examination
89.24 or to provide medical treatment ordered by a licensed health care professional ~~to a person~~
89.25 ~~necessary to promote healing or recovery from an acute, meaning short-term, medical~~
89.26 ~~condition;~~

89.27 (2) assist in the safe evacuation or redirection of a person in the event of an
89.28 emergency and the person is at imminent risk of harm; or

89.29 (3) position a person with physical disabilities in a manner specified in the person's
89.30 coordinated service and support plan addendum.

89.31 Any use of manual restraint as allowed in this paragraph must comply with the restrictions
89.32 identified in subdivision 6, paragraph (b).

89.33 (d) Use of adaptive aids or equipment, orthotic devices, or other medical equipment
89.34 ordered by a licensed health professional to treat a diagnosed medical condition do not in
89.35 and of themselves constitute the use of mechanical restraint.

90.1 Sec. 13. Minnesota Statutes 2014, section 245D.07, subdivision 2, is amended to read:

90.2 Subd. 2. **Service planning requirements for basic support services.** (a) License
90.3 holders providing basic support services must meet the requirements of this subdivision.

90.4 (b) Within 15 calendar days of service initiation the license holder must complete
90.5 a preliminary coordinated service and support plan addendum based on the coordinated
90.6 service and support plan.

90.7 (c) Within 60 calendar days of service initiation the license holder must review
90.8 and revise as needed the preliminary coordinated service and support plan addendum to
90.9 document the services that will be provided including how, when, and by whom services
90.10 will be provided, and the person responsible for overseeing the delivery and coordination
90.11 of services.

90.12 (d) The license holder must participate in service planning and support team
90.13 meetings for the person following stated timelines established in the person's coordinated
90.14 service and support plan or as requested by the person or the person's legal representative,
90.15 the support team or the expanded support team.

90.16 Sec. 14. Minnesota Statutes 2014, section 245D.071, subdivision 5, is amended to read:

90.17 Subd. 5. **Service plan review and evaluation.** (a) The license holder must give the
90.18 person or the person's legal representative and case manager an opportunity to participate
90.19 in the ongoing review and development of the service plan and the methods used to support
90.20 the person and accomplish outcomes identified in subdivisions 3 and 4. The license holder,
90.21 in coordination with the person's support team or expanded support team, must meet
90.22 with the person, the person's legal representative, and the case manager, and participate
90.23 in service plan review meetings following stated timelines established in the person's
90.24 coordinated service and support plan or coordinated service and support plan addendum or
90.25 within 30 days of a written request by the person, the person's legal representative, or the
90.26 case manager, at a minimum of once per year. The purpose of the service plan review
90.27 is to determine whether changes are needed to the service plan based on the assessment
90.28 information, the license holder's evaluation of progress towards accomplishing outcomes,
90.29 or other information provided by the support team or expanded support team.

90.30 (b) The license holder must summarize the person's status and progress toward
90.31 achieving the identified outcomes and make recommendations and identify the rationale
90.32 for changing, continuing, or discontinuing implementation of supports and methods
90.33 identified in subdivision 4 in a ~~written report sent to the person or the person's legal~~
90.34 ~~representative and case manager five working days prior to the review meeting, unless the~~
90.35 ~~person, the person's legal representative, or the case manager requests to receive the report~~

91.1 available at the time of the progress review meeting. The report must be sent at least
 91.2 five working days prior to the progress review meeting if requested by the team in the
 91.3 coordinated service and support plan or coordinated service and support plan addendum.

91.4 (c) The license holder must send the coordinated service and support plan addendum
 91.5 to the person, the person's legal representative, and the case manager by mail within ten
 91.6 working days of the progress review meeting. Within ten working days of the progress
 91.7 review meeting mailing of the coordinated service and support plan addendum, the license
 91.8 holder must obtain dated signatures from the person or the person's legal representative
 91.9 and the case manager to document approval of any changes to the coordinated service and
 91.10 support plan addendum.

91.11 (d) If, within ten working days of submitting changes to the coordinated service
 91.12 and support plan and coordinated service and support plan addendum, the person or the
 91.13 person's legal representative or case manager has not signed and returned to the license
 91.14 holder the coordinated service and support plan or coordinated service and support plan
 91.15 addendum or has not proposed written modifications to the license holder's submission, the
 91.16 submission is deemed approved and the coordinated service and support plan addendum
 91.17 becomes effective and remains in effect until the legal representative or case manager
 91.18 submits a written request to revise the coordinated service and support plan addendum.

91.19 Sec. 15. Minnesota Statutes 2014, section 245D.09, subdivision 3, is amended to read:

91.20 Subd. 3. **Staff qualifications.** (a) The license holder must ensure that staff providing
 91.21 direct support, or staff who have responsibilities related to supervising or managing the
 91.22 provision of direct support service, are competent as demonstrated through skills and
 91.23 knowledge training, experience, and education relevant to the primary disability of the
 91.24 person and to meet the person's needs and additional requirements as written in the
 91.25 coordinated service and support plan or coordinated service and support plan addendum,
 91.26 or when otherwise required by the case manager or the federal waiver plan. The license
 91.27 holder must verify and maintain evidence of staff competency, including documentation of:

91.28 (1) education and experience qualifications relevant to the job responsibilities
 91.29 assigned to the staff and to the primary disability of persons served by the program,
 91.30 including a valid degree and transcript, or a current license, registration, or certification,
 91.31 when a degree or licensure, registration, or certification is required by this chapter or in the
 91.32 coordinated service and support plan or coordinated service and support plan addendum;

91.33 (2) demonstrated competency in the orientation and training areas required under
 91.34 this chapter, and when applicable, completion of continuing education required to
 91.35 maintain professional licensure, registration, or certification requirements. Competency in

92.1 these areas is determined by the license holder through knowledge testing or observed
92.2 skill assessment conducted by the trainer or instructor or by an individual who has been
92.3 previously deemed competent by the trainer or instructor in the area being assessed; and

92.4 (3) except for a license holder who is the sole direct support staff, periodic
92.5 performance evaluations completed by the license holder of the direct support staff
92.6 person's ability to perform the job functions based on direct observation.

92.7 (b) Staff under 18 years of age may not perform overnight duties or administer
92.8 medication.

92.9 Sec. 16. Minnesota Statutes 2014, section 245D.09, subdivision 5, is amended to read:

92.10 Subd. 5. **Annual training.** A license holder must provide annual training to direct
92.11 support staff on the topics identified in subdivision 4, clauses (3) to (10). If the direct
92.12 support staff has a first aid certification, annual training under subdivision 4, clause (9), is
92.13 not required as long as the certification remains current. A license holder must provide a
92.14 minimum of 24 hours of annual training to direct service staff providing intensive services
92.15 and having fewer than five years of documented experience and 12 hours of annual
92.16 training to direct service staff providing intensive services and having five or more years
92.17 of documented experience in topics described in subdivisions 4 and 4a, paragraphs (a) to
92.18 (f). Training on relevant topics received from sources other than the license holder may
92.19 count toward training requirements. A license holder must provide a minimum of 12 hours
92.20 of annual training to direct service staff providing basic services and having fewer than
92.21 five years of documented experience and six hours of annual training to direct service staff
92.22 providing basic services and having five or more years of documented experience.

92.23 Sec. 17. Minnesota Statutes 2014, section 245D.22, subdivision 4, is amended to read:

92.24 Subd. 4. **First aid must be available on site.** (a) A staff person trained in first
92.25 aid must be available on site and, when required in a person's coordinated service and
92.26 support plan or coordinated service and support plan addendum, be able to provide
92.27 cardiopulmonary resuscitation, whenever persons are present and staff are required to be
92.28 at the site to provide direct service. The CPR training must include ~~in-person~~ instruction,
92.29 hands-on practice, and an observed skills assessment under the direct supervision of a
92.30 CPR instructor.

92.31 (b) A facility must have first aid kits readily available for use by, and that meet
92.32 the needs of, persons receiving services and staff. At a minimum, the first aid kit must
92.33 be equipped with accessible first aid supplies including bandages, sterile compresses,

93.1 scissors, an ice bag or cold pack, an oral or surface thermometer, mild liquid soap,
93.2 adhesive tape, and first aid manual.

93.3 Sec. 18. Minnesota Statutes 2014, section 245D.31, subdivision 3, is amended to read:

93.4 Subd. 3. **Staff ratio requirement for each person receiving services.** The case
93.5 manager, in consultation with the interdisciplinary team, must determine at least once each
93.6 year which of the ratios in subdivisions 4, 5, and 6 is appropriate for each person receiving
93.7 services on the basis of the characteristics described in subdivisions 4, 5, and 6. The ratio
93.8 assigned each person and the documentation of how the ratio was arrived at must be kept
93.9 in each person's individual service plan. Documentation must include an assessment of the
93.10 person with respect to the characteristics in subdivisions 4, 5, and 6 ~~recorded on a standard~~
93.11 ~~assessment form required by the commissioner.~~

93.12 Sec. 19. Minnesota Statutes 2014, section 245D.31, subdivision 4, is amended to read:

93.13 Subd. 4. **Person requiring staff ratio of one to four.** A person must be assigned a
93.14 staff ratio requirement of one to four if:

93.15 (1) on a daily basis the person requires total care and monitoring or constant
93.16 hand-over-hand physical guidance to successfully complete at least three of the following
93.17 activities: toileting, communicating basic needs, eating, or ambulating; ~~or is not capable~~
93.18 ~~of taking appropriate action for self-preservation under emergency conditions;~~ or

93.19 (2) the person engages in conduct that poses an imminent risk of physical harm to
93.20 self or others at a documented level of frequency, intensity, or duration requiring frequent
93.21 daily ongoing intervention and monitoring as established in the person's coordinated
93.22 service and support plan or coordinated service and support plan addendum.

93.23 Sec. 20. Minnesota Statutes 2014, section 245D.31, subdivision 5, is amended to read:

93.24 Subd. 5. **Person requiring staff ratio of one to eight.** A person must be assigned a
93.25 staff ratio requirement of one to eight if:

93.26 (1) the person does not meet the requirements in subdivision 4; and

93.27 (2) on a daily basis the person requires verbal prompts or spot checks and minimal
93.28 or no physical assistance to successfully complete at least ~~four~~ three of the following
93.29 activities: toileting, communicating basic needs, eating, or ambulating; ~~or taking~~
93.30 ~~appropriate action for self-preservation under emergency conditions.~~

93.31 Sec. 21. Minnesota Statutes 2014, section 252.27, subdivision 2a, is amended to read:

94.1 Subd. 2a. **Contribution amount.** (a) The natural or adoptive parents of a minor
94.2 child, including a child determined eligible for medical assistance without consideration of
94.3 parental income, must contribute to the cost of services used by making monthly payments
94.4 on a sliding scale based on income, unless the child is married or has been married, parental
94.5 rights have been terminated, or the child's adoption is subsidized according to chapter
94.6 259A or through title IV-E of the Social Security Act. The parental contribution is a partial
94.7 or full payment for medical services provided for diagnostic, therapeutic, curing, treating,
94.8 mitigating, rehabilitation, maintenance, and personal care services as defined in United
94.9 States Code, title 26, section 213, needed by the child with a chronic illness or disability.

94.10 (b) For households with adjusted gross income equal to or greater than 275 percent
94.11 of federal poverty guidelines, the parental contribution shall be computed by applying the
94.12 following schedule of rates to the adjusted gross income of the natural or adoptive parents:

94.13 (1) if the adjusted gross income is equal to or greater than 275 percent of federal
94.14 poverty guidelines and less than or equal to 545 percent of federal poverty guidelines,
94.15 the parental contribution shall be determined using a sliding fee scale established by the
94.16 commissioner of human services which begins at ~~2.48~~ 2.23 percent of adjusted gross
94.17 income at 275 percent of federal poverty guidelines and increases to ~~6.75~~ 6.08 percent of
94.18 adjusted gross income for those with adjusted gross income up to 545 percent of federal
94.19 poverty guidelines;

94.20 (2) if the adjusted gross income is greater than 545 percent of federal poverty
94.21 guidelines and less than 675 percent of federal poverty guidelines, the parental
94.22 contribution shall be ~~6.75~~ 6.08 percent of adjusted gross income;

94.23 (3) if the adjusted gross income is equal to or greater than 675 percent of federal
94.24 poverty guidelines and less than 975 percent of federal poverty guidelines, the parental
94.25 contribution shall be determined using a sliding fee scale established by the commissioner
94.26 of human services which begins at ~~6.75~~ 6.08 percent of adjusted gross income at 675 percent
94.27 of federal poverty guidelines and increases to ~~nine~~ 8.1 percent of adjusted gross income
94.28 for those with adjusted gross income up to 975 percent of federal poverty guidelines; and

94.29 (4) if the adjusted gross income is equal to or greater than 975 percent of federal
94.30 poverty guidelines, the parental contribution shall be ~~11.25~~ 10.13 percent of adjusted
94.31 gross income.

94.32 If the child lives with the parent, the annual adjusted gross income is reduced by
94.33 \$2,400 prior to calculating the parental contribution. If the child resides in an institution
94.34 specified in section 256B.35, the parent is responsible for the personal needs allowance
94.35 specified under that section in addition to the parental contribution determined under this

95.1 section. The parental contribution is reduced by any amount required to be paid directly to
95.2 the child pursuant to a court order, but only if actually paid.

95.3 (c) The household size to be used in determining the amount of contribution under
95.4 paragraph (b) includes natural and adoptive parents and their dependents, including the
95.5 child receiving services. Adjustments in the contribution amount due to annual changes
95.6 in the federal poverty guidelines shall be implemented on the first day of July following
95.7 publication of the changes.

95.8 (d) For purposes of paragraph (b), "income" means the adjusted gross income of the
95.9 natural or adoptive parents determined according to the previous year's federal tax form,
95.10 except, effective retroactive to July 1, 2003, taxable capital gains to the extent the funds
95.11 have been used to purchase a home shall not be counted as income.

95.12 (e) The contribution shall be explained in writing to the parents at the time eligibility
95.13 for services is being determined. The contribution shall be made on a monthly basis
95.14 effective with the first month in which the child receives services. Annually upon
95.15 redetermination or at termination of eligibility, if the contribution exceeded the cost of
95.16 services provided, the local agency or the state shall reimburse that excess amount to
95.17 the parents, either by direct reimbursement if the parent is no longer required to pay a
95.18 contribution, or by a reduction in or waiver of parental fees until the excess amount is
95.19 exhausted. All reimbursements must include a notice that the amount reimbursed may be
95.20 taxable income if the parent paid for the parent's fees through an employer's health care
95.21 flexible spending account under the Internal Revenue Code, section 125, and that the
95.22 parent is responsible for paying the taxes owed on the amount reimbursed.

95.23 (f) The monthly contribution amount must be reviewed at least every 12 months;
95.24 when there is a change in household size; and when there is a loss of or gain in income
95.25 from one month to another in excess of ten percent. The local agency shall mail a written
95.26 notice 30 days in advance of the effective date of a change in the contribution amount.
95.27 A decrease in the contribution amount is effective in the month that the parent verifies a
95.28 reduction in income or change in household size.

95.29 (g) Parents of a minor child who do not live with each other shall each pay the
95.30 contribution required under paragraph (a). An amount equal to the annual court-ordered
95.31 child support payment actually paid on behalf of the child receiving services shall be
95.32 deducted from the adjusted gross income of the parent making the payment prior to
95.33 calculating the parental contribution under paragraph (b).

95.34 (h) The contribution under paragraph (b) shall be increased by an additional five
95.35 percent if the local agency determines that insurance coverage is available but not
95.36 obtained for the child. For purposes of this section, "available" means the insurance is a

96.1 benefit of employment for a family member at an annual cost of no more than five percent
96.2 of the family's annual income. For purposes of this section, "insurance" means health
96.3 and accident insurance coverage, enrollment in a nonprofit health service plan, health
96.4 maintenance organization, self-insured plan, or preferred provider organization.

96.5 Parents who have more than one child receiving services shall not be required
96.6 to pay more than the amount for the child with the highest expenditures. There shall
96.7 be no resource contribution from the parents. The parent shall not be required to pay
96.8 a contribution in excess of the cost of the services provided to the child, not counting
96.9 payments made to school districts for education-related services. Notice of an increase in
96.10 fee payment must be given at least 30 days before the increased fee is due.

96.11 (i) The contribution under paragraph (b) shall be reduced by \$300 per fiscal year if,
96.12 in the 12 months prior to July 1:

96.13 (1) the parent applied for insurance for the child;

96.14 (2) the insurer denied insurance;

96.15 (3) the parents submitted a complaint or appeal, in writing to the insurer, submitted
96.16 a complaint or appeal, in writing, to the commissioner of health or the commissioner of
96.17 commerce, or litigated the complaint or appeal; and

96.18 (4) as a result of the dispute, the insurer reversed its decision and granted insurance.

96.19 For purposes of this section, "insurance" has the meaning given in paragraph (h).

96.20 A parent who has requested a reduction in the contribution amount under this
96.21 paragraph shall submit proof in the form and manner prescribed by the commissioner or
96.22 county agency, including, but not limited to, the insurer's denial of insurance, the written
96.23 letter or complaint of the parents, court documents, and the written response of the insurer
96.24 approving insurance. The determinations of the commissioner or county agency under this
96.25 paragraph are not rules subject to chapter 14.

96.26 Sec. 22. Minnesota Statutes 2014, section 256.478, is amended to read:

96.27 **256.478 HOME AND COMMUNITY-BASED SERVICES TRANSITIONS**
96.28 **GRANTS.**

96.29 (a) The commissioner shall make available home and community-based services
96.30 transition grants to serve individuals who do not meet eligibility criteria for the medical
96.31 assistance program under section 256B.056 or 256B.057, but who otherwise meet the
96.32 criteria under section 256B.092, subdivision 13, or 256B.49, subdivision 24.

96.33 (b) ~~For the purposes of this section, the commissioner has the authority to transfer~~
96.34 ~~funds between the medical assistance account and the home and community-based~~
96.35 ~~services transitions grants account.~~

97.1 Sec. 23. Minnesota Statutes 2014, section 256.975, subdivision 2, is amended to read:

97.2 Subd. 2. **Duties.** The ~~board~~ Minnesota Board on Aging shall carry out the following
97.3 duties:

97.4 (1) to advise the governor and heads of state departments and agencies regarding
97.5 policy, programs, and services affecting the aging;

97.6 (2) to provide a mechanism for coordinating plans and activities of state departments
97.7 and citizens' groups as they pertain to aging;

97.8 (3) to create public awareness of the special needs and potentialities of older persons;

97.9 (4) to gather and disseminate information about research and action programs,
97.10 and to encourage state departments and other agencies to conduct needed research in
97.11 the field of aging;

97.12 (5) to stimulate, guide, and provide technical assistance in the organization of local
97.13 councils on aging;

97.14 (6) to provide continuous review of ongoing services, programs and proposed
97.15 legislation affecting the elderly in Minnesota;

97.16 (7) to administer and to make policy relating to all aspects of the Older Americans
97.17 Act of 1965, as amended, including implementation thereof; ~~and~~

97.18 (8) to award grants, enter into contracts, and adopt rules the Minnesota Board on
97.19 Aging deems necessary to carry out the purposes of this section;

97.20 (9) develop the criteria and procedures to allocate the grants under subdivision 11,
97.21 evaluate all applications on a competitive basis and award the grants, and select qualified
97.22 providers to offer technical assistance to grant applicants and grantees. The selected
97.23 provider shall provide applicants and grantees assistance with project design, evaluation
97.24 methods, materials, and training; and

97.25 (10) submit by January 15, 2017, and on each January 15 thereafter, a progress
97.26 report on the dementia grants programs under subdivision 11 to the chairs and ranking
97.27 minority members of the senate and house of representatives committees and divisions
97.28 with jurisdiction over health finance and policy. The report shall include:

97.29 (i) information on each grant recipient;

97.30 (ii) a summary of all projects or initiatives undertaken with each grant;

97.31 (iii) the measurable outcomes established by each grantee, an explanation of the
97.32 evaluation process used to determine whether the outcomes were met, and the results of
97.33 the evaluation;

97.34 (iv) an accounting of how the grant funds were spent; and

97.35 (v) the overall impact of the projects and initiatives that were conducted.

98.1 Sec. 24. Minnesota Statutes 2014, section 256.975, is amended by adding a subdivision
98.2 to read:

98.3 Subd. 11. **Regional and local dementia grants.** (a) The Minnesota Board on
98.4 Aging shall award competitive grants to eligible applicants for regional and local projects
98.5 and initiatives targeted to a designated community, which may consist of a specific
98.6 geographic area or population, to increase awareness of Alzheimer's disease and other
98.7 dementias, increase the rate of cognitive testing in the population at risk for dementias,
98.8 promote the benefits of early diagnosis of dementias, or connect caregivers of persons
98.9 with dementia to education and resources.

98.10 (b) The project areas for grants include:

98.11 (1) local or community-based initiatives to promote the benefits of physician
98.12 consultations for all individuals who suspect a memory or cognitive problem;

98.13 (2) local or community-based initiatives to promote the benefits of early diagnosis of
98.14 Alzheimer's disease and other dementias; and

98.15 (3) local or community-based initiatives to provide informational materials and
98.16 other resources to caregivers of persons with dementia.

98.17 (c) Eligible applicants for local and regional grants may include, but are not limited
98.18 to, community health boards, school districts, colleges and universities, community
98.19 clinics, tribal communities, nonprofit organizations, and other health care organizations.

98.20 (d) Applicants must submit proposals for available grants to the Minnesota Board on
98.21 Aging by September 1, 2015, and each September 1 thereafter. The application must:

98.22 (1) describe the proposed initiative, including the targeted community and how the
98.23 initiative meets the requirements of this subdivision; and

98.24 (2) identify the proposed outcomes of the initiative and the evaluation process to be
98.25 used to measure these outcomes.

98.26 (e) In awarding the regional and local dementia grants, the Minnesota Board on
98.27 Aging must give priority to applicants who demonstrate that the proposed project:

98.28 (1) is supported by and appropriately targeted to the community the applicant serves;

98.29 (2) is designed to coordinate with other community activities related to other health
98.30 initiatives, particularly those initiatives targeted at the elderly;

98.31 (3) is conducted by an applicant able to demonstrate expertise in the project areas;

98.32 (4) utilizes and enhances existing activities and resources or involves innovative
98.33 approaches to achieve success in the project areas; and

98.34 (5) strengthens community relationships and partnerships in order to achieve the
98.35 project areas.

99.1 (f) The board shall divide the state into specific geographic regions and allocate a
99.2 percentage of the money available for the local and regional dementia grants to projects or
99.3 initiatives aimed at each geographic region.

99.4 (g) The board shall award any available grants by October 1, 2015, and each
99.5 October 1 thereafter.

99.6 (h) Each grant recipient shall report to the board on the progress of the initiative at
99.7 least once during the grant period, and within two months of the end of the grant period
99.8 shall submit a final report to the board that includes the outcome results.

99.9 **EFFECTIVE DATE.** This section is effective July 1, 2015.

99.10 Sec. 25. Minnesota Statutes 2014, section 256B.057, subdivision 9, is amended to read:

99.11 Subd. 9. **Employed persons with disabilities.** (a) Medical assistance may be paid
99.12 for a person who is employed and who:

99.13 (1) but for excess earnings or assets, meets the definition of disabled under the
99.14 Supplemental Security Income program;

99.15 (2) meets the asset limits in paragraph (d); and

99.16 (3) pays a premium and other obligations under paragraph (e).

99.17 (b) For purposes of eligibility, there is a \$65 earned income disregard. To be eligible
99.18 for medical assistance under this subdivision, a person must have more than \$65 of earned
99.19 income. Earned income must have Medicare, Social Security, and applicable state and
99.20 federal taxes withheld. The person must document earned income tax withholding. Any
99.21 spousal income or assets shall be disregarded for purposes of eligibility and premium
99.22 determinations.

99.23 (c) After the month of enrollment, a person enrolled in medical assistance under
99.24 this subdivision who:

99.25 (1) is temporarily unable to work and without receipt of earned income due to a
99.26 medical condition, as verified by a physician; or

99.27 (2) loses employment for reasons not attributable to the enrollee, and is without
99.28 receipt of earned income may retain eligibility for up to four consecutive months after the
99.29 month of job loss. To receive a four-month extension, enrollees must verify the medical
99.30 condition or provide notification of job loss. All other eligibility requirements must be met
99.31 and the enrollee must pay all calculated premium costs for continued eligibility.

99.32 (d) For purposes of determining eligibility under this subdivision, a person's assets
99.33 must not exceed \$20,000, excluding:

99.34 (1) all assets excluded under section 256B.056;

100.1 (2) retirement accounts, including individual accounts, 401(k) plans, 403(b) plans,
100.2 Keogh plans, and pension plans;

100.3 (3) medical expense accounts set up through the person's employer; and

100.4 (4) spousal assets, including spouse's share of jointly held assets.

100.5 (e) All enrollees must pay a premium to be eligible for medical assistance under this
100.6 subdivision, except as provided under clause (5).

100.7 (1) An enrollee must pay the greater of a \$~~65~~ \$35 premium or the premium calculated
100.8 based on the person's gross earned and unearned income and the applicable family size
100.9 using a sliding fee scale established by the commissioner, which begins at one percent of
100.10 income at 100 percent of the federal poverty guidelines and increases to 7.5 percent of
100.11 income for those with incomes at or above 300 percent of the federal poverty guidelines.

100.12 (2) Annual adjustments in the premium schedule based upon changes in the federal
100.13 poverty guidelines shall be effective for premiums due in July of each year.

100.14 (3) All enrollees who receive unearned income must pay ~~five~~ one-half of one percent
100.15 of unearned income in addition to the premium amount, except as provided under clause (5).

100.16 (4) Increases in benefits under title II of the Social Security Act shall not be counted
100.17 as income for purposes of this subdivision until July 1 of each year.

100.18 (5) Effective July 1, 2009, American Indians are exempt from paying premiums as
100.19 required by section 5006 of the American Recovery and Reinvestment Act of 2009, Public
100.20 Law 111-5. For purposes of this clause, an American Indian is any person who meets the
100.21 definition of Indian according to Code of Federal Regulations, title 42, section 447.50.

100.22 (f) A person's eligibility and premium shall be determined by the local county
100.23 agency. Premiums must be paid to the commissioner. All premiums are dedicated to
100.24 the commissioner.

100.25 (g) Any required premium shall be determined at application and redetermined at
100.26 the enrollee's six-month income review or when a change in income or household size is
100.27 reported. Enrollees must report any change in income or household size within ten days
100.28 of when the change occurs. A decreased premium resulting from a reported change in
100.29 income or household size shall be effective the first day of the next available billing month
100.30 after the change is reported. Except for changes occurring from annual cost-of-living
100.31 increases, a change resulting in an increased premium shall not affect the premium amount
100.32 until the next six-month review.

100.33 (h) Premium payment is due upon notification from the commissioner of the
100.34 premium amount required. Premiums may be paid in installments at the discretion of
100.35 the commissioner.

101.1 (i) Nonpayment of the premium shall result in denial or termination of medical
101.2 assistance unless the person demonstrates good cause for nonpayment. Good cause exists
101.3 if the requirements specified in Minnesota Rules, part 9506.0040, subpart 7, items B to
101.4 D, are met. Except when an installment agreement is accepted by the commissioner, all
101.5 persons disenrolled for nonpayment of a premium must pay any past due premiums as well
101.6 as current premiums due prior to being reenrolled. Nonpayment shall include payment with
101.7 a returned, refused, or dishonored instrument. The commissioner may require a guaranteed
101.8 form of payment as the only means to replace a returned, refused, or dishonored instrument.

101.9 (j) For enrollees whose income does not exceed 200 percent of the federal poverty
101.10 guidelines and who are also enrolled in Medicare, the commissioner shall reimburse
101.11 the enrollee for Medicare part B premiums under section 256B.0625, subdivision 15,
101.12 paragraph (a).

101.13 Sec. 26. Minnesota Statutes 2014, section 256B.0916, subdivision 2, is amended to read:

101.14 Subd. 2. **Distribution of funds; partnerships.** (a) Beginning with fiscal year 2000,
101.15 the commissioner shall distribute all funding available for home and community-based
101.16 waiver services for persons with developmental disabilities to individual counties or to
101.17 groups of counties that form partnerships to jointly plan, administer, and authorize funding
101.18 for eligible individuals. The commissioner shall encourage counties to form partnerships
101.19 that have a sufficient number of recipients and funding to adequately manage the risk
101.20 and maximize use of available resources.

101.21 (b) Counties must submit a request for funds and a plan for administering the
101.22 program as required by the commissioner. The plan must identify the number of clients to
101.23 be served, their ages, and their priority listing based on:

101.24 (1) requirements in Minnesota Rules, part 9525.1880; and

101.25 (2) statewide priorities identified in section 256B.092, subdivision 12.

101.26 The plan must also identify changes made to improve services to eligible persons and to
101.27 improve program management.

101.28 (c) In allocating resources to counties, priority must be given to groups of counties
101.29 that form partnerships to jointly plan, administer, and authorize funding for eligible
101.30 individuals and to counties determined by the commissioner to have sufficient waiver
101.31 capacity to maximize resource use.

101.32 (d) Within 30 days after receiving the county request for funds and plans, the
101.33 commissioner shall provide a written response to the plan that includes the level of
101.34 resources available to serve additional persons.

102.1 (e) Counties are eligible to receive medical assistance administrative reimbursement
102.2 for administrative costs under criteria established by the commissioner.

102.3 (f) The commissioner shall manage waiver allocations in such a manner as to fully
102.4 use available state and federal waiver appropriations.

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

102.6 Sec. 27. Minnesota Statutes 2014, section 256B.0916, subdivision 11, is amended to
102.7 read:

102.8 Subd. 11. **Excess spending.** County and tribal agencies are responsible for spending
102.9 in excess of the allocation made by the commissioner. In the event a county or tribal agency
102.10 spends in excess of the allocation made by the commissioner for a given allocation period,
102.11 they must submit a corrective action plan to the commissioner for approval. The plan must
102.12 state the actions the agency will take to correct their overspending for the year two years
102.13 following the period when the overspending occurred. ~~Failure to correct overspending~~
102.14 ~~shall result in recoupment of spending in excess of the allocation~~ The commissioner
102.15 shall recoup spending in excess of the allocation only in cases where statewide spending
102.16 exceeds the appropriation designated for the home and community-based services waivers.
102.17 Nothing in this subdivision shall be construed as reducing the county's responsibility to
102.18 offer and make available feasible home and community-based options to eligible waiver
102.19 recipients within the resources allocated to them for that purpose.

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

102.21 Sec. 28. Minnesota Statutes 2014, section 256B.0916, is amended by adding a
102.22 subdivision to read:

102.23 Subd. 12. **Use of waiver allocations.** County and tribal agencies are responsible
102.24 for spending the annual allocation made by the commissioner. In the event a county or
102.25 tribal agency spends less than 97 percent of the allocation, while maintaining a list of
102.26 persons waiting for waiver services, the county or tribal agency must submit a corrective
102.27 action plan to the commissioner for approval. The commissioner may determine a plan
102.28 is unnecessary given the size of the allocation and capacity for new enrollment. The
102.29 plan must state the actions the agency will take to assure reasonable and timely access
102.30 to home and community-based waiver services for persons waiting for services. If a
102.31 county or tribe does not submit a plan when required or implement the changes required,
102.32 the commissioner shall assure access to waiver services within the county's or tribe's

103.1 available allocation and take other actions needed to assure that all waiver participants in
103.2 that county or tribe are receiving appropriate waiver services to meet their needs.

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

103.4 Sec. 29. Minnesota Statutes 2014, section 256B.097, subdivision 3, is amended to read:

103.5 Subd. 3. **State Quality Council.** (a) There is hereby created a State Quality
103.6 Council which must define regional quality councils, and carry out a community-based,
103.7 person-directed quality review component, and a comprehensive system for effective
103.8 incident reporting, investigation, analysis, and follow-up.

103.9 (b) By August 1, 2011, the commissioner of human services shall appoint the
103.10 members of the initial State Quality Council. Members shall include representatives
103.11 from the following groups:

103.12 (1) disability service recipients and their family members;

103.13 (2) during the first four years of the State Quality Council, there must be at least
103.14 three members from the Region 10 stakeholders. As regional quality councils are formed
103.15 under subdivision 4, each regional quality council shall appoint one member;

103.16 (3) disability service providers;

103.17 (4) disability advocacy groups; and

103.18 (5) county human services agencies and staff from the Department of Human
103.19 Services and Ombudsman for Mental Health and Developmental Disabilities.

103.20 (c) Members of the council who do not receive a salary or wages from an employer
103.21 for time spent on council duties may receive a per diem payment when performing council
103.22 duties and functions.

103.23 (d) The State Quality Council shall:

103.24 (1) assist the Department of Human Services in fulfilling federally mandated
103.25 obligations by monitoring disability service quality and quality assurance and
103.26 improvement practices in Minnesota;

103.27 (2) establish state quality improvement priorities with methods for achieving results
103.28 and provide an annual report to the legislative committees with jurisdiction over policy
103.29 and funding of disability services on the outcomes, improvement priorities, and activities
103.30 undertaken by the commission during the previous state fiscal year;

103.31 (3) identify issues pertaining to financial and personal risk that impede Minnesotans
103.32 with disabilities from optimizing choice of community-based services; and

103.33 (4) recommend to the chairs and ranking minority members of the legislative
103.34 committees with jurisdiction over human services and civil law by January 15, 2014,
103.35 statutory and rule changes related to the findings under clause (3) that promote

104.1 individualized service and housing choices balanced with appropriate individualized
104.2 protection.

104.3 (e) The State Quality Council, in partnership with the commissioner, shall:

104.4 (1) approve and direct implementation of the community-based, person-directed
104.5 system established in this section;

104.6 (2) recommend an appropriate method of funding this system, and determine the
104.7 feasibility of the use of Medicaid, licensing fees, as well as other possible funding options;

104.8 (3) approve measurable outcomes in the areas of health and safety, consumer
104.9 evaluation, education and training, providers, and systems;

104.10 (4) establish variable licensure periods not to exceed three years based on outcomes
104.11 achieved; and

104.12 (5) in cooperation with the Quality Assurance Commission, design a transition plan
104.13 for licensed providers from Region 10 into the alternative licensing system by July 1, 2015.

104.14 (f) The State Quality Council shall notify the commissioner of human services that a
104.15 facility, program, or service has been reviewed by quality assurance team members under
104.16 subdivision 4, paragraph ~~(b)~~ (c), clause (13), and qualifies for a license.

104.17 (g) The State Quality Council, in partnership with the commissioner, shall establish
104.18 an ongoing review process for the system. The review shall take into account the
104.19 comprehensive nature of the system which is designed to evaluate the broad spectrum of
104.20 licensed and unlicensed entities that provide services to persons with disabilities. The
104.21 review shall address efficiencies and effectiveness of the system.

104.22 (h) The State Quality Council may recommend to the commissioner certain
104.23 variances from the standards governing licensure of programs for persons with disabilities
104.24 in order to improve the quality of services so long as the recommended variances do
104.25 not adversely affect the health or safety of persons being served or compromise the
104.26 qualifications of staff to provide services.

104.27 (i) The safety standards, rights, or procedural protections referenced under
104.28 subdivision ~~2~~ 4, paragraph ~~(e)~~ (d), shall not be varied. The State Quality Council may
104.29 make recommendations to the commissioner or to the legislature in the report required
104.30 under paragraph ~~(e)~~ (d) regarding alternatives or modifications to the safety standards,
104.31 rights, or procedural protections referenced under subdivision ~~2~~ (4), paragraph ~~(e)~~ (d).

104.32 (j) The State Quality Council may hire staff to perform the duties assigned in this
104.33 subdivision.

104.34 Sec. 30. Minnesota Statutes 2014, section 256B.097, subdivision 4, is amended to read:

105.1 Subd. 4. **Regional quality councils.** (a) By July 1, 2015, the commissioner shall
105.2 establish, as selected by the State Quality Council, or continue the operation of three
105.3 regional quality councils of key stakeholders, including as selected by the State Quality
105.4 Council. One regional quality council shall be established in the Twin Cities metropolitan
105.5 area, one shall be established in greater Minnesota, and one shall be the Quality Assurance
105.6 Commission established under section 256B.0951. By July 1, 2016, the commissioner
105.7 shall establish three additional regional quality councils, as selected by the State Quality
105.8 Council. The regional quality councils established under this paragraph shall include
105.9 regional representatives of:

105.10 (1) disability service recipients and their family members;

105.11 (2) disability service providers;

105.12 (3) disability advocacy groups; and

105.13 (4) county human services agencies and staff from the Department of Human
105.14 Services and Ombudsman for Mental Health and Developmental Disabilities.

105.15 (b) In establishing the regional quality councils, the commissioner shall:

105.16 (1) appoint the members from the groups identified in paragraph (a) by July 1, 2015;

105.17 (2) designate a chair for each council or prescribe a process for each council to
105.18 select a chair from among its members;

105.19 (3) set term limits for members of the regional quality councils;

105.20 (4) set the total number or maximum number of members of each regional council;

105.21 (5) set the number or proportion of members representing each of the groups
105.22 identified in paragraph (a);

105.23 (6) set deadlines and requirements for annual reports to the chair of the State
105.24 Quality Council and to the chairs of the legislative committees in the senate and house of
105.25 representatives with primary jurisdiction over human services on the status, outcomes,
105.26 improvement priorities, and activities in the regions; and

105.27 (7) convene a first meeting of each regional quality council by July 1, 2016, or
105.28 identify a person responsible for convening the first meeting of each regional quality
105.29 council and require that the person convene the first meeting by July 1, 2016.

105.30 ~~(b)~~ (c) Each regional quality council shall:

105.31 (1) direct and monitor the community-based, person-directed quality assurance
105.32 system in this section;

105.33 (2) approve a training program for quality assurance team members under clause (13);

105.34 (3) review summary reports from quality assurance team reviews and make
105.35 recommendations to the State Quality Council regarding program licensure;

105.36 (4) make recommendations to the State Quality Council regarding the system;

106.1 (5) resolve complaints between the quality assurance teams, counties, providers,
106.2 persons receiving services, their families, and legal representatives;

106.3 (6) analyze and review quality outcomes and critical incident data reporting
106.4 incidents of life safety concerns immediately to the Department of Human Services
106.5 licensing division;

106.6 (7) provide information and training programs for persons with disabilities and their
106.7 families and legal representatives on service options and quality expectations;

106.8 (8) disseminate information and resources developed to other regional quality
106.9 councils;

106.10 (9) respond to state-level priorities;

106.11 (10) establish regional priorities for quality improvement;

106.12 (11) submit an annual report to the State Quality Council on the status, outcomes,
106.13 improvement priorities, and activities in the region;

106.14 (12) choose a representative to participate on the State Quality Council and assume
106.15 other responsibilities consistent with the priorities of the State Quality Council; and

106.16 (13) recruit, train, and assign duties to members of quality assurance teams, taking
106.17 into account the size of the service provider, the number of services to be reviewed,
106.18 the skills necessary for the team members to complete the process, and ensure that no
106.19 team member has a financial, personal, or family relationship with the facility, program,
106.20 or service being reviewed or with anyone served at the facility, program, or service.

106.21 Quality assurance teams must be comprised of county staff, persons receiving services
106.22 or the person's families, legal representatives, members of advocacy organizations,
106.23 providers, and other involved community members. Team members must complete
106.24 the training program approved by the regional quality council and must demonstrate
106.25 performance-based competency. Team members may be paid a per diem and reimbursed
106.26 for expenses related to their participation in the quality assurance process.

106.27 ~~(e)~~ (d) The commissioner shall monitor the safety standards, rights, and procedural
106.28 protections for the monitoring of psychotropic medications and those identified under
106.29 sections 245.825; 245.91 to 245.97; 245A.09, subdivision 2, paragraph (c), clauses (2)
106.30 and (5); 245A.12; 245A.13; 252.41, subdivision 9; 256B.092, subdivision 1b, clause
106.31 (7); 626.556; and 626.557.

106.32 ~~(d)~~ (e) The regional quality councils may hire staff to perform the duties assigned
106.33 in this subdivision.

106.34 ~~(e)~~ (f) The regional quality councils may charge fees for their services.

106.35 ~~(f)~~ (g) The quality assurance process undertaken by a regional quality council consists
106.36 of an evaluation by a quality assurance team of the facility, program, or service. The

107.1 process must include an evaluation of a random sample of persons served. The sample must
107.2 be representative of each service provided. The sample size must be at least five percent but
107.3 not less than two persons served. All persons must be given the opportunity to be included
107.4 in the quality assurance process in addition to those chosen for the random sample.

107.5 ~~(g)~~ (h) A facility, program, or service may contest a licensing decision of the regional
107.6 quality council as permitted under chapter 245A.

107.7 Sec. 31. Minnesota Statutes 2014, section 256B.49, subdivision 26, is amended to read:

107.8 Subd. 26. **Excess allocations.** (a) Effective through June 30, 2018, county and
107.9 tribal agencies will be responsible for authorizations in excess of the annual allocation
107.10 made by the commissioner. In the event a county or tribal agency authorizes in excess
107.11 of the allocation made by the commissioner for a given allocation period, the county or
107.12 tribal agency must submit a corrective action plan to the commissioner for approval.
107.13 The plan must state the actions the agency will take to correct their overspending for
107.14 the year two years following the period when the overspending occurred. Failure to
107.15 correct overauthorizations shall result in recoupment of authorizations in excess of the
107.16 allocation. The commissioner shall recoup funds spent in excess of the allocation only
107.17 in cases where statewide spending exceeds the appropriation designated for the home
107.18 and community-based services waivers. Nothing in this subdivision shall be construed
107.19 as reducing the county's responsibility to offer and make available feasible home and
107.20 community-based options to eligible waiver recipients within the resources allocated
107.21 to them for that purpose. If a county or tribe does not submit a plan when required or
107.22 implement the changes required, the commissioner shall assure access to waiver services
107.23 within the county's or tribe's available allocation and take other actions needed to assure
107.24 that all waiver participants in that county or tribe are receiving appropriate waiver services
107.25 to meet their needs.

107.26 (b) Effective July 1, 2018, county and tribal agencies will be responsible for
107.27 spending in excess of the annual allocation made by the commissioner. In the event a
107.28 county or tribal agency spends in excess of the allocation made by the commissioner for a
107.29 given allocation period, the county or tribal agency must submit a corrective action plan to
107.30 the commissioner for approval. The plan must state the actions the agency will take to
107.31 correct its overspending for the two years following the period when the overspending
107.32 occurred. The commissioner shall recoup funds spent in excess of the allocation only
107.33 in cases when statewide spending exceeds the appropriation designated for the home
107.34 and community-based services waivers. Nothing in this subdivision shall be construed
107.35 as reducing the county's responsibility to offer and make available feasible home and

108.1 community-based options to eligible waiver recipients within the resources allocated to it
108.2 for that purpose. If a county or tribe does not submit a plan when required or implement
108.3 the changes required, the commissioner shall assure access to waiver services within
108.4 the county's or tribe's available allocation and take other actions needed to assure that
108.5 all waiver participants in that county or tribe are receiving appropriate waiver services
108.6 to meet their needs.

108.7 Sec. 32. Minnesota Statutes 2014, section 256B.49, is amended by adding a
108.8 subdivision to read:

108.9 Subd. 27. **Use of waiver allocations.** (a) Effective until June 30, 2018, county
108.10 and tribal agencies are responsible for authorizing the annual allocation made by the
108.11 commissioner. In the event a county or tribal agency authorizes less than 97 percent of
108.12 the allocation, while maintaining a list of persons waiting for waiver services, the county
108.13 or tribal agency must submit a corrective action plan to the commissioner for approval.
108.14 The commissioner may determine a plan is unnecessary given the size of the allocation
108.15 and capacity for new enrollment. The plan must state the actions the agency will take
108.16 to assure reasonable and timely access to home and community-based waiver services
108.17 for persons waiting for services.

108.18 (b) Effective July 1, 2018, county and tribal agencies are responsible for spending
108.19 the annual allocation made by the commissioner. In the event a county or tribal agency
108.20 spends less than 97 percent of the allocation, while maintaining a list of persons waiting
108.21 for waiver services, the county or tribal agency must submit a corrective action plan to the
108.22 commissioner for approval. The commissioner may determine a plan is unnecessary given
108.23 the size of the allocation and capacity for new enrollment. The plan must state the actions
108.24 the agency will take to assure reasonable and timely access to home and community-based
108.25 waiver services for persons waiting for services.

108.26 Sec. 33. Minnesota Statutes 2014, section 256B.4913, subdivision 4a, is amended to
108.27 read:

108.28 Subd. 4a. **Rate stabilization adjustment.** (a) For purposes of this subdivision,
108.29 "implementation period" means the period beginning January 1, 2014, and ending on
108.30 the last day of the month in which the rate management system is populated with the
108.31 data necessary to calculate rates for substantially all individuals receiving home and
108.32 community-based waiver services under sections 256B.092 and 256B.49. "Banding
108.33 period" means the time period beginning on January 1, 2014, and ending upon the
108.34 expiration of the 12-month period defined in paragraph (c), clause (5).

109.1 (b) For purposes of this subdivision, the historical rate for all service recipients means
109.2 the individual reimbursement rate for a recipient in effect on December 1, 2013, except that:

109.3 (1) for a day service recipient who was not authorized to receive these waiver
109.4 services prior to January 1, 2014; added a new service or services on or after January 1,
109.5 2014; or changed providers on or after January 1, 2014, the historical rate must be the
109.6 authorized rate for the provider in the county of service, effective December 1, 2013; or

109.7 (2) for a unit-based service with programming or a unit-based service without
109.8 programming recipient who was not authorized to receive these waiver services prior to
109.9 January 1, 2014; added a new service or services on or after January 1, 2014; or changed
109.10 providers on or after January 1, 2014, the historical rate must be the weighted average
109.11 authorized rate for each provider number in the county of service, effective December 1,
109.12 2013; or

109.13 (3) for residential service recipients who change providers on or after January 1,
109.14 2014, the historical rate must be set by each lead agency within their county aggregate
109.15 budget using their respective methodology for residential services effective December 1,
109.16 2013, for determining the provider rate for a similarly situated recipient being served by
109.17 that provider.

109.18 (c) The commissioner shall adjust individual reimbursement rates determined under
109.19 this section so that the unit rate is no higher or lower than:

109.20 (1) 0.5 percent from the historical rate for the implementation period;

109.21 (2) 0.5 percent from the rate in effect in clause (1), for the 12-month period
109.22 immediately following the time period of clause (1);

109.23 (3) ~~1.0~~ 0.5 percent from the rate in effect in clause (2), for the 12-month period
109.24 immediately following the time period of clause (2);

109.25 (4) 1.0 percent from the rate in effect in clause (3), for the 12-month period
109.26 immediately following the time period of clause (3); ~~and~~

109.27 (5) 1.0 percent from the rate in effect in clause (4), for the 12-month period
109.28 immediately following the time period of clause (4); and

109.29 (6) no adjustment to the rate in effect in clause (5) for the 12-month period
109.30 immediately following the time period of clause (5). During this banding rate period, the
109.31 commissioner shall not enforce any rate decrease or increase that would otherwise result
109.32 from the end of the banding period. The commissioner shall, upon enactment, seek federal
109.33 approval for the addition of this banding period.

109.34 (d) The commissioner shall review all changes to rates that were in effect on
109.35 December 1, 2013, to verify that the rates in effect produce the equivalent level of spending
109.36 and service unit utilization on an annual basis as those in effect on October 31, 2013.

110.1 (e) By December 31, 2014, the commissioner shall complete the review in paragraph
110.2 (d), adjust rates to provide equivalent annual spending, and make appropriate adjustments.

110.3 (f) During the banding period, the Medicaid Management Information System
110.4 (MMIS) service agreement rate must be adjusted to account for change in an individual's
110.5 need. The commissioner shall adjust the Medicaid Management Information System
110.6 (MMIS) service agreement rate by:

110.7 (1) calculating a service rate under section 256B.4914, subdivision 6, 7, 8, or 9, for
110.8 the individual with variables reflecting the level of service in effect on December 1, 2013;

110.9 (2) calculating a service rate under section 256B.4914, subdivision 6, 7, 8, or
110.10 9, for the individual with variables reflecting the updated level of service at the time
110.11 of application; and

110.12 (3) adding to or subtracting from the Medicaid Management Information System
110.13 (MMIS) service agreement rate, the difference between the values in clauses (1) and (2).

110.14 (g) This subdivision must not apply to rates for recipients served by providers new
110.15 to a given county after January 1, 2014. Providers of personal supports services who also
110.16 acted as fiscal support entities must be treated as new providers as of January 1, 2014.

110.17 Sec. 34. Minnesota Statutes 2014, section 256B.4913, subdivision 5, is amended to read:

110.18 Subd. 5. **Stakeholder consultation and county training.** (a) The commissioner
110.19 shall continue consultation on regular intervals with the existing stakeholder group
110.20 established as part of the rate-setting methodology process and others, to gather input,
110.21 concerns, and data, to assist in the full implementation of the new rate payment system and
110.22 to make pertinent information available to the public through the department's Web site.

110.23 (b) The commissioner shall offer training at least annually for county personnel
110.24 responsible for administering the rate-setting framework in a manner consistent with this
110.25 section and section 256B.4914.

110.26 (c) The commissioner shall maintain an online instruction manual explaining the
110.27 rate-setting framework. The manual shall be consistent with this section and section
110.28 256B.4914, and shall be accessible to all stakeholders including recipients, representatives
110.29 of recipients, county or tribal agencies, and license holders.

110.30 (d) The commissioner shall not defer to the county or tribal agency on matters of
110.31 technical application of the rate-setting framework, and a county or tribal agency shall not
110.32 set rates in a manner that conflicts with this section or section 256B.4914.

110.33 Sec. 35. Minnesota Statutes 2014, section 256B.4914, subdivision 2, is amended to read:

111.1 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
111.2 meanings given them, unless the context clearly indicates otherwise.

111.3 (b) "Commissioner" means the commissioner of human services.

111.4 (c) "Component value" means underlying factors that are part of the cost of providing
111.5 services that are built into the waiver rates methodology to calculate service rates.

111.6 (d) "Customized living tool" means a methodology for setting service rates that
111.7 delineates and documents the amount of each component service included in a recipient's
111.8 customized living service plan.

111.9 (e) "Disability waiver rates system" means a statewide system that establishes rates
111.10 that are based on uniform processes and captures the individualized nature of waiver
111.11 services and recipient needs.

111.12 (f) "Individual staffing" means the time spent as a one-to-one interaction specific to
111.13 an individual recipient by staff ~~brought in solely~~ to provide direct support and assistance
111.14 with activities of daily living, instrumental activities of daily living, and training to
111.15 participants, and is based on the requirements in each individual's coordinated service and
111.16 support plan under section 245D.02, subdivision 4b; any coordinated service and support
111.17 plan addendum under section 245D.02, subdivision 4c; and an assessment tool; and
111.18 Provider observation of an individual's needs must also be considered.

111.19 (g) "Lead agency" means a county, partnership of counties, or tribal agency charged
111.20 with administering waived services under sections 256B.092 and 256B.49.

111.21 (h) "Median" means the amount that divides distribution into two equal groups,
111.22 one-half above the median and one-half below the median.

111.23 (i) "Payment or rate" means reimbursement to an eligible provider for services
111.24 provided to a qualified individual based on an approved service authorization.

111.25 (j) "Rates management system" means a Web-based software application that uses
111.26 a framework and component values, as determined by the commissioner, to establish
111.27 service rates.

111.28 (k) "Recipient" means a person receiving home and community-based services
111.29 funded under any of the disability waivers.

111.30 (l) "Shared staffing" means time spent by employees, not defined under paragraph
111.31 (f), providing or available to provide more than one individual with direct support and
111.32 assistance with activities of daily living as defined under section 256B.0659, subdivision 1,
111.33 paragraph (b); instrumental activities of daily living as defined under section 256B.0659,
111.34 subdivision 1, paragraph (i); ancillary activities needed to support individual services; and
111.35 training to participants, and is based on the requirements in each individual's coordinated
111.36 service and support plan under section 245D.02, subdivision 4b; any coordinated service

112.1 and support plan addendum under section 245D.02, subdivision 4c; an assessment tool; and
112.2 provider observation of an individual's service need. Total shared staffing hours are divided
112.3 proportionally by the number of individuals who receive the shared service provisions.

112.4 (m) "Staffing ratio" means the number of recipients a service provider employee
112.5 supports during a unit of service based on a uniform assessment tool, provider observation,
112.6 case history, and the recipient's services of choice, and not based on the staffing ratios
112.7 under section 245D.31.

112.8 (n) "Unit of service" means the following:

112.9 (1) for residential support services under subdivision 6, a unit of service is a day.

112.10 Any portion of any calendar day, within allowable Medicaid rules, where an individual
112.11 spends time in a residential setting is billable as a day;

112.12 (2) for day services under subdivision 7:

112.13 (i) for day training and habilitation services, a unit of service is either:

112.14 (A) a day unit of service is defined as six or more hours of time spent providing
112.15 direct services and transportation; or

112.16 (B) a partial day unit of service is defined as fewer than six hours of time spent
112.17 providing direct services and transportation; and

112.18 (C) for new day service recipients after January 1, 2014, 15 minute units of
112.19 service must be used for fewer than six hours of time spent providing direct services
112.20 and transportation;

112.21 (ii) for adult day and structured day services, a unit of service is a day or 15 minutes.
112.22 A day unit of service is six or more hours of time spent providing direct services;

112.23 (iii) for prevocational services, a unit of service is a day or an hour. A day unit of
112.24 service is six or more hours of time spent providing direct service;

112.25 (3) for unit-based services with programming under subdivision 8:

112.26 (i) for supported living services, a unit of service is a day or 15 minutes. When a
112.27 day rate is authorized, any portion of a calendar day where an individual receives services
112.28 is billable as a day; and

112.29 (ii) for all other services, a unit of service is 15 minutes; and

112.30 (4) for unit-based services without programming under subdivision 9:

112.31 (i) for respite services, a unit of service is a day or 15 minutes. When a day rate is
112.32 authorized, any portion of a calendar day when an individual receives services is billable
112.33 as a day; and

112.34 (ii) for all other services, a unit of service is 15 minutes.

112.35 Sec. 36. Minnesota Statutes 2014, section 256B.4914, subdivision 6, is amended to read:

113.1 Subd. 6. **Payments for residential support services.** (a) Payments for residential
113.2 support services, as defined in sections 256B.092, subdivision 11, and 256B.49,
113.3 subdivision 22, must be calculated as follows:

113.4 (1) determine the number of shared staffing and individual direct staff hours to meet
113.5 a recipient's needs provided on site or through monitoring technology;

113.6 (2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics
113.7 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision
113.8 5. This is defined as the direct-care rate;

113.9 (3) for a recipient requiring customization for deaf and hard-of-hearing language
113.10 accessibility under subdivision 12, add the customization rate provided in subdivision 12
113.11 to the result of clause (2). This is defined as the customized direct-care rate;

113.12 (4) multiply the number of shared and individual direct staff hours provided on site
113.13 or through monitoring technology and nursing hours by the appropriate staff wages in
113.14 subdivision 5, paragraph (a), or the customized direct-care rate;

113.15 (5) multiply the number of shared and individual direct staff hours provided on site
113.16 or through monitoring technology and nursing hours by the product of the supervision
113.17 span of control ratio in subdivision 5, paragraph (b), clause (1), and the appropriate
113.18 supervision wage in subdivision 5, paragraph (a), clause (16);

113.19 (6) combine the results of clauses (4) and (5), excluding any shared and individual
113.20 direct staff hours provided through monitoring technology, and multiply the result by one
113.21 plus the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph
113.22 (b), clause (2). This is defined as the direct staffing cost;

113.23 (7) for employee-related expenses, multiply the direct staffing cost, excluding any
113.24 shared and individual direct staff hours provided through monitoring technology, by one
113.25 plus the employee-related cost ratio in subdivision 5, paragraph (b), clause (3);

113.26 (8) for client programming and supports, the commissioner shall add \$2,179; and

113.27 (9) for transportation, if provided, the commissioner shall add \$1,680, or \$3,000 if
113.28 customized for adapted transport, based on the resident with the highest assessed need.

113.29 (b) The total rate must be calculated using the following steps:

113.30 (1) subtotal paragraph (a), clauses (7) to (9), and the direct staffing cost of any
113.31 shared and individual direct staff hours provided through monitoring technology that
113.32 was excluded in clause (7);

113.33 (2) sum the standard general and administrative rate, the program-related expense
113.34 ratio, and the absence and utilization ratio;

113.35 (3) divide the result of clause (1) by one minus the result of clause (2). This is
113.36 the total payment amount; and

114.1 (4) adjust the result of clause (3) by a factor to be determined by the commissioner
114.2 to adjust for regional differences in the cost of providing services.

114.3 (c) The payment methodology for customized living, 24-hour customized living, and
114.4 residential care services must be the customized living tool. Revisions to the customized
114.5 living tool must be made to reflect the services and activities unique to disability-related
114.6 recipient needs.

114.7 ~~(d) The commissioner shall establish a Monitoring Technology Review Panel to~~
114.8 ~~annually review and approve the plans, safeguards, and rates that include residential~~
114.9 ~~direct care provided remotely through monitoring technology. Lead agencies shall submit~~
114.10 ~~individual service plans that include supervision using monitoring technology to the~~
114.11 ~~Monitoring Technology Review Panel for approval. Individual service plans that include~~
114.12 ~~supervision using monitoring technology as of December 31, 2013, shall be submitted to~~
114.13 ~~the Monitoring Technology Review Panel, but the plans are not subject to approval.~~

114.14 ~~(e)~~ (d) For individuals enrolled prior to January 1, 2014, the days of service
114.15 authorized must meet or exceed the days of service used to convert service agreements
114.16 in effect on December 1, 2013, and must not result in a reduction in spending or service
114.17 utilization due to conversion during the implementation period under section 256B.4913,
114.18 subdivision 4a. If during the implementation period, an individual's historical rate,
114.19 including adjustments required under section 256B.4913, subdivision 4a, paragraph (c),
114.20 is equal to or greater than the rate determined in this subdivision, the number of days
114.21 authorized for the individual is 365.

114.22 ~~(f)~~ (e) The number of days authorized for all individuals enrolling after January 1,
114.23 2014, in residential services must include every day that services start and end.

114.24 Sec. 37. Minnesota Statutes 2014, section 256B.4914, subdivision 8, is amended to read:

114.25 Subd. 8. **Payments for unit-based services with programming.** Payments for
114.26 unit-based ~~with program~~ services with programming, including behavior programming,
114.27 housing access coordination, in-home family support, independent living skills training,
114.28 hourly supported living services, and supported employment provided to an individual
114.29 outside of any day or residential service plan must be calculated as follows, unless the
114.30 services are authorized separately under subdivision 6 or 7:

114.31 (1) determine the number of units of service to meet a recipient's needs;

114.32 (2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics
114.33 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision 5;

115.1 (3) for a recipient requiring customization for deaf and hard-of-hearing language
115.2 accessibility under subdivision 12, add the customization rate provided in subdivision 12
115.3 to the result of clause (2). This is defined as the customized direct-care rate;

115.4 (4) multiply the number of direct staff hours by the appropriate staff wage in
115.5 subdivision 5, paragraph (a), or the customized direct-care rate;

115.6 (5) multiply the number of direct staff hours by the product of the supervision span
115.7 of control ratio in subdivision 5, paragraph (e), clause (1), and the appropriate supervision
115.8 wage in subdivision 5, paragraph (a), clause (16);

115.9 (6) combine the results of clauses (4) and (5), and multiply the result by one plus
115.10 the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (e),
115.11 clause (2). This is defined as the direct staffing rate;

115.12 (7) for program plan support, multiply the result of clause (6) by one plus the
115.13 program plan supports ratio in subdivision 5, paragraph (e), clause (4);

115.14 (8) for employee-related expenses, multiply the result of clause (7) by one plus the
115.15 employee-related cost ratio in subdivision 5, paragraph (e), clause (3);

115.16 (9) for client programming and supports, multiply the result of clause (8) by one plus
115.17 the client programming and supports ratio in subdivision 5, paragraph (e), clause (5);

115.18 (10) this is the subtotal rate;

115.19 (11) sum the standard general and administrative rate, the program-related expense
115.20 ratio, and the absence and utilization factor ratio;

115.21 (12) divide the result of clause (10) by one minus the result of clause (11). This is
115.22 the total payment amount;

115.23 (13) for supported employment provided in a shared manner, divide the total
115.24 payment amount in clause (12) by the number of service recipients, not to exceed three.

115.25 For independent living skills training provided in a shared manner, divide the total
115.26 payment amount in clause (12) by the number of service recipients, not to exceed two; and

115.27 (14) adjust the result of clause (13) by a factor to be determined by the commissioner
115.28 to adjust for regional differences in the cost of providing services.

115.29 Sec. 38. Minnesota Statutes 2014, section 256B.4914, subdivision 10, is amended to
115.30 read:

115.31 Subd. 10. **Updating payment values and additional information.** (a) From
115.32 January 1, 2014, through December 31, 2017, the commissioner shall develop and
115.33 implement uniform procedures to refine terms and adjust values used to calculate payment
115.34 rates in this section.

116.1 (b) No later than July 1, 2014, the commissioner shall, within available resources,
116.2 begin to conduct research and gather data and information from existing state systems or
116.3 other outside sources on the following items:

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

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

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

116.11 (c) Using a statistically valid set of rates management system data, the commissioner,
116.12 in consultation with stakeholders, shall analyze for each service the average difference
116.13 in the rate on December 31, 2013, and the framework rate at the individual, provider,
116.14 lead agency, and state levels. The commissioner shall issue semiannual reports to the
116.15 stakeholders on the difference in rates by service and by county during the banding period
116.16 under section 256B.4913, subdivision 4a. The commissioner shall issue the first report
116.17 by October 1, 2014.

116.18 (d) No later than July 1, 2014, the commissioner, in consultation with stakeholders,
116.19 shall begin the review and evaluation of the following values already in subdivisions 6 to
116.20 9, or issues that impact all services, including, but not limited to:

116.21 (1) values for transportation rates for day services;

116.22 (2) values for transportation rates in residential services;

116.23 (3) values for services where monitoring technology replaces staff time;

116.24 (4) values for indirect services;

116.25 (5) values for nursing;

116.26 (6) component values for independent living skills;

116.27 (7) component values for family foster care that reflect licensing requirements;

116.28 (8) adjustments to other components to replace the budget neutrality factor;

116.29 (9) remote monitoring technology for nonresidential services;

116.30 (10) values for basic and intensive services in residential services;

116.31 (11) ~~values for the facility use rate in day services~~ the weightings used in the day
116.32 service ratios and adjustments to those weightings;

116.33 (12) values for workers' compensation as part of employee-related expenses;

116.34 (13) values for unemployment insurance as part of employee-related expenses;

117.1 (14) a component value to reflect costs for individuals with rates previously adjusted
117.2 for the inclusion of group residential housing rate 3 costs, only for any individual enrolled
117.3 as of December 31, 2013; and

117.4 (15) any changes in state or federal law with an impact on the underlying cost of
117.5 providing home and community-based services.

117.6 (e) The commissioner shall report to the chairs and the ranking minority members of
117.7 the legislative committees and divisions with jurisdiction over health and human services
117.8 policy and finance with the information and data gathered under paragraphs (b) to (d)
117.9 on the following dates:

117.10 (1) January 15, 2015, with preliminary results and data;

117.11 (2) January 15, 2016, with a status implementation update, and additional data
117.12 and summary information;

117.13 (3) January 15, 2017, with the full report; and

117.14 (4) January 15, 2019, with another full report, and a full report once every four
117.15 years thereafter.

117.16 (f) Based on the commissioner's evaluation of the information and data collected in
117.17 paragraphs (b) to (d), the commissioner shall make recommendations to the legislature by
117.18 January 15, 2015, to address any issues identified during the first year of implementation.
117.19 After January 15, 2015, the commissioner may make recommendations to the legislature
117.20 to address potential issues.

117.21 (g) The commissioner shall implement a regional adjustment factor to all rate
117.22 calculations in subdivisions 6 to 9, effective no later than January 1, 2015. Prior to
117.23 implementation, the commissioner shall consult with stakeholders on the methodology to
117.24 calculate the adjustment.

117.25 (h) The commissioner shall provide a public notice via LISTSERV in October of
117.26 each year beginning October 1, 2014, containing information detailing legislatively
117.27 approved changes in:

117.28 (1) calculation values including derived wage rates and related employee and
117.29 administrative factors;

117.30 (2) service utilization;

117.31 (3) county and tribal allocation changes; and

117.32 (4) information on adjustments made to calculation values and the timing of those
117.33 adjustments.

117.34 The information in this notice must be effective January 1 of the following year.

117.35 (i) No later than July 1, 2016, the commissioner shall develop and implement, in
117.36 consultation with stakeholders, a methodology sufficient to determine the shared staffing

118.1 levels necessary to meet, at a minimum, health and welfare needs of individuals who
118.2 will be living together in shared residential settings, and the required shared staffing
118.3 activities described in subdivision 2, paragraph (1). This determination methodology must
118.4 ensure staffing levels are adaptable to meet the needs and desired outcomes for current and
118.5 prospective residents in shared residential settings.

118.6 (j) When the available shared staffing hours in a residential setting are insufficient to
118.7 meet the needs of an individual who enrolled in residential services after January 1, 2014,
118.8 or insufficient to meet the needs of an individual with a service agreement adjustment
118.9 described in section 256B.4913, subdivision 4a, paragraph (f), then individual staffing
118.10 hours shall be used.

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

118.12 Sec. 39. Minnesota Statutes 2014, section 256B.4914, subdivision 14, is amended to
118.13 read:

118.14 Subd. 14. **Exceptions.** (a) In a format prescribed by the commissioner, lead
118.15 agencies must identify individuals with exceptional needs that cannot be met under the
118.16 disability waiver rate system. The commissioner shall use that information to evaluate
118.17 and, if necessary, approve an alternative payment rate for those individuals. Whether
118.18 granted, denied, or modified, the commissioner shall respond to all exception requests in
118.19 writing. The commissioner shall include in the written response the basis for the action
118.20 and provide notification of the right to appeal under paragraph (h).

118.21 (b) Lead agencies must act on an exception request within 30 days and notify the
118.22 initiator of the request of their recommendation in writing. A lead agency shall submit all
118.23 exception requests along with its recommendation to the state commissioner.

118.24 (c) An application for a rate exception may be submitted for the following criteria:

118.25 (1) an individual has service needs that cannot be met through additional units
118.26 of service; or

118.27 (2) an individual's rate determined under subdivisions 6, 7, 8, and 9 results is so
118.28 insufficient that it has resulted in an individual being discharged receiving a notice of
118.29 discharge from the individual's provider; or

118.30 (3) an individual's service needs, including behavioral changes, require a level of
118.31 service which necessitates a change in provider or which requires the current provider to
118.32 propose service changes beyond those currently authorized.

118.33 (d) Exception requests must include the following information:

118.34 (1) the service needs required by each individual that are not accounted for in
118.35 subdivisions 6, 7, 8, and 9;

119.1 (2) the service rate requested and the difference from the rate determined in
119.2 subdivisions 6, 7, 8, and 9;

119.3 (3) a basis for the underlying costs used for the rate exception and any accompanying
119.4 documentation; and

119.5 (4) ~~the duration of the rate exception; and~~

119.6 ~~(5) any contingencies for approval.~~

119.7 (e) Approved rate exceptions shall be managed within lead agency allocations under
119.8 sections 256B.092 and 256B.49.

119.9 (f) Individual disability waiver recipients, an interested party, or the license holder
119.10 that would receive the rate exception increase may request that a lead agency submit an
119.11 exception request. A lead agency that denies such a request shall notify the individual
119.12 waiver recipient, interested party, or license holder of its decision and the reasons for
119.13 denying the request in writing no later than 30 days after the ~~individual's~~ request has been
119.14 made and shall submit its denial to the commissioner in accordance with paragraph (b).
119.15 The reasons for the denial must be based on the failure to meet the criteria in paragraph (c).

119.16 (g) The commissioner shall determine whether to approve or deny an exception
119.17 request no more than 30 days after receiving the request. If the commissioner denies the
119.18 request, the commissioner shall notify the lead agency and the individual disability waiver
119.19 recipient, the interested party, and the license holder in writing of the reasons for the denial.

119.20 (h) The individual disability waiver recipient may appeal any denial of an exception
119.21 request by either the lead agency or the commissioner, pursuant to sections 256.045 and
119.22 256.0451. When the denial of an exception request results in the proposed demission of a
119.23 waiver recipient from a residential or day habilitation program, the commissioner shall
119.24 issue a temporary stay of demission, when requested by the disability waiver recipient,
119.25 consistent with the provisions of section 256.045, subdivisions 4a and 6, paragraph (c).
119.26 The temporary stay shall remain in effect until the lead agency can provide an informed
119.27 choice of appropriate, alternative services to the disability waiver.

119.28 (i) Providers may petition lead agencies to update values that were entered
119.29 incorrectly or erroneously into the rate management system, based on past service level
119.30 discussions and determination in subdivision 4, without applying for a rate exception.

119.31 (j) The starting date for the rate exception will be the later of the date of the
119.32 recipient's change in support or the date of the request to the lead agency for an exception.

119.33 (k) The commissioner shall track all exception requests received and their
119.34 dispositions. The commissioner shall issue quarterly public exceptions statistical reports,
119.35 including the number of exception requests received and the numbers granted, denied,

120.1 withdrawn, and pending. The report shall include the average amount of time required to
120.2 process exceptions.

120.3 (l) No later than January 15, 2016, the commissioner shall provide research
120.4 findings on the estimated fiscal impact, the primary cost drivers, and common population
120.5 characteristics of recipients with needs that cannot be met by the framework rates.

120.6 (m) No later than July 1, 2016, the commissioner shall develop and implement,
120.7 in consultation with stakeholders, a process to determine eligibility for rate exceptions
120.8 for individuals with rates determined under the methodology in section 256B.4913,
120.9 subdivision 4a. Determination of the eligibility for an exception will occur as annual
120.10 service renewals are completed.

120.11 (n) Approved rate exceptions will be implemented at such time that the individual's
120.12 rate is no longer banded and remain in effect in all cases until an individual's needs change
120.13 as defined in paragraph (c).

120.14 Sec. 40. Minnesota Statutes 2014, section 256B.4914, subdivision 15, is amended to
120.15 read:

120.16 Subd. 15. **County or tribal allocations.** (a) Upon implementation of the disability
120.17 waiver rates management system on January 1, 2014, the commissioner shall establish
120.18 a method of tracking and reporting the fiscal impact of the disability waiver rates
120.19 management system on individual lead agencies.

120.20 (b) Beginning January 1, 2014, the commissioner shall make annual adjustments to
120.21 lead agencies' home and community-based waived service budget allocations to adjust
120.22 for rate differences and the resulting impact on county allocations upon implementation of
120.23 the disability waiver rates system.

120.24 (c) ~~During the first two years of implementation under section 256B.4913,~~
120.25 ~~Lead agencies exceeding their allocations shall be subject to the provisions under~~
120.26 ~~sections 256B.092 and 256B.49 shall only be held liable for spending in excess of their~~
120.27 ~~allocations after a reallocation of resources by the commissioner under paragraph (b). The~~
120.28 ~~commissioner shall reallocate resources under sections 256B.092, subdivision 12, and~~
120.29 ~~256B.49, subdivision 11a. The commissioner shall notify lead agencies of this process by~~
120.30 ~~July 1, 2014.~~

120.31 Sec. 41. **[256B.4915] DISABILITY WAIVER REIMBURSEMENT RATE**
120.32 **ADJUSTMENTS.**

120.33 Subdivision 1. **Historical rate.** The commissioner of human services shall adjust
120.34 the historical rates calculated in section 256B.4913, subdivision 4a, paragraph (b), in

121.1 effect during the banding period under section 256B.4913, subdivision 4a, paragraph (a),
121.2 for each reimbursement rate increase effective on or after July 1, 2015.

121.3 Subd. 2. **Residential support services.** The commissioner of human services shall
121.4 adjust the rates calculated in section 256B.4914, subdivision 6, paragraphs (b) and (c), for
121.5 each reimbursement rate increase effective on or after July 1, 2015.

121.6 Subd. 3. **Day programs.** The commissioner of human services shall adjust the rates
121.7 calculated in section 256B.4914, subdivision 7, for each reimbursement rate increase
121.8 effective on or after July 1, 2015.

121.9 Subd. 4. **Unit-based services with programming.** The commissioner of human
121.10 services shall adjust the rate calculated in section 256B.4914, subdivision 8, for each
121.11 reimbursement rate increase effective on or after July 1, 2015.

121.12 Subd. 5. **Unit-based services without programming.** The commissioner of human
121.13 services shall adjust the rate calculated in section 256B.4914, subdivision 9, for each
121.14 reimbursement rate increase effective on or after July 1, 2015.

121.15 Sec. 42. Minnesota Statutes 2014, section 256B.492, is amended to read:

121.16 **256B.492 HOME AND COMMUNITY-BASED SETTINGS FOR PEOPLE**
121.17 **WITH DISABILITIES.**

121.18 (a) Individuals receiving services under a home and community-based waiver under
121.19 section 256B.092 or 256B.49 may receive services in the following settings:

121.20 (1) ~~an individual's own home or family home~~ and community-based settings that
121.21 comply with all requirements identified by the federal Centers for Medicare and Medicaid
121.22 Services in the Code of Federal Regulations, title 42, section 441.301(c), and with the
121.23 requirements of the federally approved transition plan and waiver plans for each home
121.24 and community-based services waiver; and

121.25 (2) ~~a licensed adult foster care or child foster care setting of up to five people or~~
121.26 ~~community residential setting of up to five people; and~~ settings required by the Housing
121.27 Opportunities for Persons with AIDS Program.

121.28 (3) ~~community living settings as defined in section 256B.49, subdivision 23, where~~
121.29 ~~individuals with disabilities may reside in all of the units in a building of four or fewer units,~~
121.30 ~~and who receive services under a home and community-based waiver occupy no more~~
121.31 ~~than the greater of four or 25 percent of the units in a multifamily building of more than~~
121.32 ~~four units, unless required by the Housing Opportunities for Persons with AIDS Program.~~

121.33 (b) The settings in paragraph (a) must not:

121.34 (1) ~~be located in a building that is a publicly or privately operated facility that~~
121.35 ~~provides institutional treatment or custodial care;~~

122.1 ~~(2) be located in a building on the grounds of or adjacent to a public or private~~
 122.2 ~~institution;~~

122.3 ~~(3) be a housing complex designed expressly around an individual's diagnosis or~~
 122.4 ~~disability, unless required by the Housing Opportunities for Persons with AIDS Program;~~

122.5 ~~(4) be segregated based on a disability, either physically or because of setting~~
 122.6 ~~characteristics, from the larger community; and~~

122.7 ~~(5) have the qualities of an institution which include, but are not limited to:~~
 122.8 ~~regimented meal and sleep times, limitations on visitors, and lack of privacy. Restrictions~~
 122.9 ~~agreed to and documented in the person's individual service plan shall not result in a~~
 122.10 ~~residence having the qualities of an institution as long as the restrictions for the person are~~
 122.11 ~~not imposed upon others in the same residence and are the least restrictive alternative,~~
 122.12 ~~imposed for the shortest possible time to meet the person's needs.~~

122.13 ~~(e) The provisions of paragraphs (a) and (b) do not apply to any setting in which~~
 122.14 ~~individuals receive services under a home and community-based waiver as of July 1,~~
 122.15 ~~2012, and the setting does not meet the criteria of this section.~~

122.16 ~~(d) Notwithstanding paragraph (c), a program in Hennepin County established as~~
 122.17 ~~part of a Hennepin County demonstration project is qualified for the exception allowed~~
 122.18 ~~under paragraph (e).~~

122.19 ~~(e) Notwithstanding paragraphs (a) and (b), a program in Hennepin County, located~~
 122.20 ~~in the city of Golden Valley, within the city of Golden Valley's Highway 55 West~~
 122.21 ~~redevelopment area, that is not a provider-owned or controlled home and community-based~~
 122.22 ~~setting, and is scheduled to open by July 1, 2016, is exempt from the restrictions in~~
 122.23 ~~paragraphs (a) and (b). If the program fails to comply with the Centers for Medicare and~~
 122.24 ~~Medicaid Services rules for home and community-based settings, the exemption is void.~~

122.25 ~~(f) The commissioner shall submit an amendment to the waiver plan no later than~~
 122.26 ~~December 31, 2012.~~

122.27 **EFFECTIVE DATE.** This section is effective July 1, 2016.

122.28 Sec. 43. Minnesota Statutes 2014, section 256B.5012, is amended by adding a
 122.29 subdivision to read:

122.30 **Subd. 17. ICF/DD rate increase effective July 1, 2016.** (a) For the rate period from
 122.31 July 1, 2016, to June 30, 2017, the commissioner shall increase operating payments for
 122.32 each facility reimbursed under this section equal to five percent of the operating payment
 122.33 rates in effect on June 30, 2016.

122.34 (b) For each facility, the commissioner shall apply the rate increase based on
 122.35 occupied beds, using the percentage specified in this subdivision multiplied by the total

123.1 payment rate, including the variable rate but excluding the property-related payment
123.2 rate in effect on the preceding date. The total rate increase shall include the adjustment
123.3 provided in section 256B.501, subdivision 12.

123.4 (c) Facilities that receive a rate increase under this subdivision shall use 90 percent
123.5 of the additional revenue to increase compensation-related costs for employees directly
123.6 employed by the facility on or after the effective date of the rate adjustment in paragraph
123.7 (a), except:

123.8 (1) persons employed in the central office of a corporation or entity that has an
123.9 ownership interest in the facility or exercises control over the facility; and

123.10 (2) persons paid by the facility under a management contract.

123.11 (d) Compensation-related costs include:

123.12 (1) wages and salaries;

123.13 (2) the employer's share of FICA taxes, Medicare taxes, state and federal
123.14 unemployment taxes, workers' compensation, and mileage reimbursement;

123.15 (3) the employer's share of health and dental insurance, life insurance, disability
123.16 insurance, long-term care insurance, uniform allowance, pensions, and contributions to
123.17 employee retirement accounts; and

123.18 (4) other benefits provided and workforce needs, including the recruiting and
123.19 training of employees as specified in the distribution plan required under paragraph (h).

123.20 (e) For public employees under a collective bargaining agreement, the increases for
123.21 wages and benefits for certain staff are available and pay rates must be increased only to
123.22 the extent that the increases comply with laws governing public employees' collective
123.23 bargaining. A provider that receives additional revenue for compensation-related cost
123.24 increases under paragraph (c), that is a public employer, and whose fiscal year ends on
123.25 June 30 of each year, must use the portion of the rate increase specified in paragraph (c)
123.26 only for compensation-related cost increases implemented between July 1, 2016, and
123.27 August 1, 2016. A provider that receives additional revenue for compensation-related cost
123.28 increases under paragraph (c), that is a public employer, and whose fiscal year ends on
123.29 December 31 of each year, must use the portion of the compensation-related cost increases
123.30 specified in paragraph (c) only for compensation-related cost increases implemented
123.31 during the contract period.

123.32 (f) For a facility that has employees that are represented by an exclusive bargaining
123.33 representative, the provider shall obtain a letter of acceptance of the distribution plan
123.34 required under paragraph (h), in regard to the members of the bargaining unit, signed by
123.35 the exclusive bargaining agent. Upon receipt of the letter of acceptance, the facility shall
123.36 be deemed to have met all the requirements of this subdivision in regard to the members

124.1 of the bargaining unit. Upon request, the facility shall produce the letter of acceptance for
124.2 the commissioner.

124.3 (g) The commissioner shall amend state grant contracts that include direct
124.4 personnel-related grant expenditures to include the allocation for the portion of the
124.5 contract related to employee compensation. Grant contracts for compensation-related
124.6 services must be amended to pass through the adjustment within 60 days of the effective
124.7 date of the increase and must be retroactive to the effective date of the rate adjustment.

124.8 (h) A facility that receives a rate adjustment under paragraph (a) that is subject to
124.9 paragraphs (c) and (d) shall prepare and, upon request, submit to the commissioner a
124.10 distribution plan that specifies the amount of money the facility expects to receive that is
124.11 subject to the requirements of paragraphs (c) and (d), including how that money will be
124.12 distributed to increase compensation for employees.

124.13 (i) Within six months of the effective date of the rate adjustment, the facility shall
124.14 post the distribution plan required under paragraph (h) for a period of at least six weeks in
124.15 an area of the facility's operation to which all eligible employees have access and shall
124.16 provide instructions for employees who do not believe they have received the wage and
124.17 other compensation-related increases specified in the distribution plan. The instructions
124.18 must include a mailing address, e-mail address, and telephone number that an employee
124.19 may use to contact the commissioner or the commissioner's representative.

124.20 Sec. 44. **[256Q.01] PLAN ESTABLISHED.**

124.21 A savings plan known as the Minnesota ABLE plan is established. In establishing
124.22 this plan, the legislature seeks to encourage and assist individuals and families in saving
124.23 private funds for the purpose of supporting individuals with disabilities to maintain health,
124.24 independence, and quality of life, and to provide secure funding for disability-related
124.25 expenses on behalf of designated beneficiaries with disabilities that will supplement, but
124.26 not supplant, benefits provided through private insurance, the Medicaid program under
124.27 title XIX of the Social Security Act, the Supplemental Security Income program under
124.28 title XVI of the Social Security Act, the beneficiary's employment, and other sources.

124.29 Sec. 45. **[256Q.02] CITATION.**

124.30 This chapter may be cited as the "Minnesota Achieving a Better Life Experience
124.31 Act" or "Minnesota ABLE Act."

124.32 Sec. 46. **[256Q.03] DEFINITIONS.**

125.1 Subdivision 1. **Scope.** For the purposes of this chapter, the terms defined in this
125.2 section have the meanings given them.

125.3 Subd. 2. **ABLE account.** "ABLE account" has the meaning given in section
125.4 529A(e)(6) of the Internal Revenue Code.

125.5 Subd. 3. **ABLE account plan or plan.** "ABLE account plan" or "plan" means the
125.6 qualified ABLE program, as defined in section 529A(b) of the Internal Revenue Code,
125.7 provided for in this chapter.

125.8 Subd. 4. **Account.** "Account" means the formal record of transactions relating to an
125.9 ABLE plan beneficiary.

125.10 Subd. 5. **Account owner.** "Account owner" means the designated beneficiary
125.11 of the account.

125.12 Subd. 6. **Annual contribution limit.** "Annual contribution limit" has the meaning
125.13 given in section 529A(b)(2) of the Internal Revenue Code.

125.14 Subd. 7. **Application.** "Application" means the form executed by a prospective
125.15 account owner to enter into a participation agreement and open an account in the plan.
125.16 The application incorporates by reference the participation agreement.

125.17 Subd. 8. **Board.** "Board" means the State Board of Investment.

125.18 Subd. 9. **Commissioner.** "Commissioner" means the commissioner of human
125.19 services.

125.20 Subd. 10. **Contribution.** "Contribution" means a payment directly allocated to
125.21 an account for the benefit of a beneficiary.

125.22 Subd. 11. **Department.** "Department" means the Department of Human Services.

125.23 Subd. 12. **Designated beneficiary or beneficiary.** "Designated beneficiary" or
125.24 "beneficiary" has the meaning given in section 529A(e)(3) of the Internal Revenue Code
125.25 and further defined through regulations issued under that section.

125.26 Subd. 13. **Earnings.** "Earnings" means the total account balance minus the
125.27 investment in the account.

125.28 Subd. 14. **Eligible individual.** "Eligible individual" has the meaning given in
125.29 section 529A(e)(1) of the Internal Revenue Code and further defined through regulations
125.30 issued under that section.

125.31 Subd. 15. **Executive director.** "Executive director" means the executive director of
125.32 the State Board of Investment.

125.33 Subd. 16. **Internal Revenue Code.** "Internal Revenue Code" means the Internal
125.34 Revenue Code of 1986, as amended.

125.35 Subd. 17. **Investment in the account.** "Investment in the account" means the sum
125.36 of all contributions made to an account by a particular date minus the aggregate amount

126.1 of contributions included in distributions or rollover distributions, if any, made from the
126.2 account as of that date.

126.3 Subd. 18. **Member of the family.** "Member of the family" has the meaning given in
126.4 section 529A(e)(4) of the Internal Revenue Code.

126.5 Subd. 19. **Participation agreement.** "Participation agreement" means an agreement
126.6 to participate in the Minnesota ABLE plan between an account owner and the state
126.7 through its agencies, the commissioner, and the board.

126.8 Subd. 20. **Person.** "Person" means an individual, trust, estate, partnership,
126.9 association, company, corporation, or the state.

126.10 Subd. 21. **Plan administrator.** "Plan administrator" means the person selected by
126.11 the commissioner and the board to administer the daily operations of the ABLE account
126.12 plan and provide record keeping, investment management, and other services for the plan.

126.13 Subd. 22. **Qualified disability expense.** "Qualified disability expense" has the
126.14 meaning given in section 529A(e)(5) of the Internal Revenue Code and further defined
126.15 through regulations issued under that section.

126.16 Subd. 23. **Qualified distribution.** "Qualified distribution" means a withdrawal from
126.17 an ABLE account to pay the qualified disability expenses of the beneficiary of the account.
126.18 A qualified withdrawal may be made by the beneficiary, by an agent of the beneficiary
126.19 who has the power of attorney, or by the beneficiary's legal guardian.

126.20 Subd. 24. **Rollover distribution.** "Rollover distribution" means a transfer of funds
126.21 made:

126.22 (1) from one account in another state's qualified ABLE program to an account for
126.23 the benefit of the same designated beneficiary or an eligible individual who is a family
126.24 member of the former designated beneficiary; or

126.25 (2) from one account to another account for the benefit of an eligible individual who
126.26 is a family member of the former designated beneficiary.

126.27 Subd. 25. **Total account balance.** "Total account balance" means the amount in an
126.28 account on a particular date or the fair market value of an account on a particular date.

126.29 **Sec. 47. [256Q.04] ABLE PLAN REQUIREMENTS.**

126.30 Subdivision 1. **State residency requirement.** The designated beneficiary of an
126.31 ABLE account must be a resident of Minnesota, or the resident of a state that has entered
126.32 into a contract with Minnesota to provide its residents access to the Minnesota ABLE plan.

126.33 Subd. 2. **Single account requirement.** No more than one ABLE account shall be
126.34 established per beneficiary, except as permitted under section 529A(c)(4) of the Internal
126.35 Revenue Code.

127.1 Subd. 3. **Accounts-type plan.** The plan must be operated as an accounts-type
127.2 plan. A separate account must be maintained for each designated beneficiary for whom
127.3 contributions are made.

127.4 Subd. 4. **Contribution and account requirements.** Contributions to an ABLE
127.5 account are subject to the requirements of section 529A(b)(2) of the Internal Revenue
127.6 Code prohibiting noncash contributions and contributions in excess of the annual
127.7 contribution limit. The total account balance may not exceed the maximum account
127.8 balance limit imposed under section 136G.09, subdivision 8.

127.9 Subd. 5. **Limited investment direction.** Designated beneficiaries may not direct
127.10 the investment of assets in their accounts more than twice in any calendar year.

127.11 Subd. 6. **Security for loans.** An interest in an account must not be used as security
127.12 for a loan.

127.13 Sec. 48. **[256Q.05] ABLE PLAN ADMINISTRATION.**

127.14 Subdivision 1. **Plan to comply with federal law.** The commissioner shall ensure
127.15 that the plan meets the requirements for an ABLE account under section 529A of the
127.16 Internal Revenue Code, including any regulations released after the effective date of this
127.17 section. The commissioner may request a private letter ruling or rulings from the Internal
127.18 Revenue Service or secretary of health and human services and must take any necessary
127.19 steps to ensure that the plan qualifies under relevant provisions of federal law.

127.20 Subd. 2. **Plan rules and procedures.** (a) The commissioner shall establish the
127.21 rules, terms, and conditions for the plan, subject to the requirements of this chapter and
127.22 section 529A of the Internal Revenue Code.

127.23 (b) The commissioner shall prescribe the application forms, procedures, and other
127.24 requirements that apply to the plan.

127.25 Subd. 3. **Consultation with other state agencies; annual fee.** In designing and
127.26 establishing the plan's requirements and in negotiating or entering into contracts with third
127.27 parties under subdivision 4, the commissioner shall consult with the executive director of
127.28 the board and the commissioner of the Office of Higher Education. The commissioner and
127.29 the executive director shall establish an annual fee, equal to a percentage of the average
127.30 daily net assets of the plan, to be imposed on account owners to recover the costs of
127.31 administration, record keeping, and investment management as provided in subdivision 5.

127.32 Subd. 4. **Administration.** The commissioner shall administer the plan, including
127.33 accepting and processing applications, verifying state residency, verifying eligibility,
127.34 maintaining account records, making payments, and undertaking any other necessary
127.35 tasks to administer the plan. Notwithstanding other requirements of this chapter, the

128.1 commissioner shall adopt rules for purposes of implementing and administering the plan.
128.2 The commissioner may contract with one or more third parties to carry out some or all of
128.3 these administrative duties, including providing incentives. The commissioner and the
128.4 board may jointly contract with third-party providers if the commissioner and board
128.5 determine that it is desirable to contract with the same entity or entities for administration
128.6 and investment management.

128.7 Subd. 5. **Authority to impose fees.** The commissioner, or the commissioner's
128.8 designee, may impose annual fees, as provided in subdivision 3, on account owners to
128.9 recover the costs of administration. The commissioner must keep the fees as low as
128.10 possible, consistent with efficient administration, so that the returns on savings invested in
128.11 the plan are as high as possible.

128.12 Subd. 6. **Federally mandated reporting.** (a) As required under section 529A(d) of
128.13 the Internal Revenue Code, the commissioner or the commissioner's designee shall submit
128.14 a notice to the secretary of the treasury upon the establishment of each ABLE account.
128.15 The notice must contain the name and state of residence of the designated beneficiary and
128.16 other information as the secretary may require.

128.17 (b) As required under section 529A(d) of the Internal Revenue Code, the
128.18 commissioner or the commissioner's designee shall submit electronically on a monthly
128.19 basis to the commissioner of Social Security, in a manner specified by the commissioner
128.20 of Social Security, statements on relevant distributions and account balances from all
128.21 ABLE accounts.

128.22 Subd. 7. **Data.** (a) Data on ABLE accounts and designated beneficiaries of ABLE
128.23 accounts are private data on individuals or nonpublic data as defined in section 13.02.

128.24 (b) The commissioner may share or disseminate data classified as private or
128.25 nonpublic in this subdivision as follows:

128.26 (1) with other state or federal agencies, only to the extent necessary to verify the
128.27 identity of, determine the eligibility of, or process applications for an eligible individual
128.28 participating in the Minnesota ABLE plan; and

128.29 (2) with a nongovernmental person, only to the extent necessary to carry out the
128.30 functions of the Minnesota ABLE plan, provided the commissioner has entered into
128.31 a data-sharing agreement with the person, as provided in section 13.05, subdivision 6,
128.32 prior to sharing data under this clause or a contract with that person that complies with
128.33 section 13.05, subdivision 11, as applicable.

128.34 Sec. 49. **[256Q.06] PLAN ACCOUNTS.**

129.1 Subdivision 1. **Contributions to an account.** Any person may make contributions
129.2 to an ABLE account on behalf of a designated beneficiary. Contributions to an account
129.3 made by persons other than the account owner become the property of the account owner.
129.4 A person does not acquire an interest in an ABLE account by making contributions to
129.5 an account. Contributions to an account must be made in cash, by check, or by other
129.6 commercially acceptable means, as permitted by the Internal Revenue Service and
129.7 approved by the plan administrator in cooperation with the commissioner and the board.

129.8 Subd. 2. **Contribution and account limitations.** Contributions to an ABLE
129.9 account are subject to the requirements of section 529A(b) of the Internal Revenue Code.
129.10 The total account balance of an ABLE account may not exceed the maximum account
129.11 balance limit imposed under section 136G.09, subdivision 8. The plan administrator must
129.12 reject any portion of a contribution to an account that exceeds the annual contribution limit
129.13 or that would cause the total account balance to exceed the maximum account balance
129.14 limit imposed under section 136G.09, subdivision 8.

129.15 Subd. 3. **Authority of account owner.** An account owner is the only person
129.16 entitled to:

129.17 (1) request distributions;

129.18 (2) request rollover distributions; or

129.19 (3) change the beneficiary of an ABLE account to a member of the family of the
129.20 current beneficiary, but only if the beneficiary to whom the ABLE account is transferred
129.21 is an eligible individual.

129.22 Subd. 4. **Effect of plan changes on participation agreement.** Amendments to
129.23 this chapter automatically amend the participation agreement. Any amendments to the
129.24 operating procedures and policies of the plan automatically amend the participation
129.25 agreement after adoption by the commissioner or the board.

129.26 Subd. 5. **Special account to hold plan assets in trust.** All assets of the plan,
129.27 including contributions to accounts, are held in trust for the exclusive benefit of account
129.28 owners. Assets must be held in a separate account in the state treasury to be known as
129.29 the Minnesota ABLE plan account or in accounts with the third-party provider selected
129.30 pursuant to section 256Q.05, subdivision 4. Plan assets are not subject to claims by creditors
129.31 of the state, are not part of the general fund, and are not subject to appropriation by the
129.32 state. Payments from the Minnesota ABLE plan account shall be made under this chapter.

129.33 **Sec. 50. [256Q.07] INVESTMENT OF ABLE ACCOUNTS.**

129.34 Subdivision 1. **State Board of Investment to invest.** The State Board of Investment
129.35 shall invest the money deposited in accounts in the plan.

130.1 Subd. 2. **Permitted investments.** The board may invest the accounts in any
130.2 permitted investment under section 11A.24, except that the accounts may be invested
130.3 without limit in investment options from open-ended investment companies registered
130.4 under the federal Investment Company Act of 1940, United States Code, title 15, sections
130.5 80a-1 to 80a-64.

130.6 Subd. 3. **Contracting authority.** The board may contract with one or more third
130.7 parties for investment management, record keeping, or other services in connection with
130.8 investing the accounts. The board and commissioner may jointly contract with third-party
130.9 providers if the commissioner and board determine that it is desirable to contract with the
130.10 same entity or entities for administration and investment management.

130.11 Sec. 51. [256Q.08] **ACCOUNT DISTRIBUTIONS.**

130.12 Subdivision 1. **Qualified distribution methods.** (a) Qualified distributions may
130.13 be made:

130.14 (1) directly to participating providers of goods and services that are qualified
130.15 disability expenses, if purchased for a beneficiary;

130.16 (2) in the form of a check payable to both the beneficiary and provider of goods or
130.17 services that are qualified disability expenses; or

130.18 (3) directly to the beneficiary, if the beneficiary has already paid qualified disability
130.19 expenses.

130.20 (b) Qualified distributions must be withdrawn proportionally from contributions and
130.21 earnings in an account owner's account on the date of distribution as provided in section
130.22 529A of the Internal Revenue Code.

130.23 Subd. 2. **Distributions upon death of beneficiary.** Upon the death of a beneficiary,
130.24 the amount remaining in the beneficiary's account must be distributed pursuant to section
130.25 529A(f) of the Internal Revenue Code.

130.26 Subd. 3. **Nonqualified distribution.** An account owner may request a nonqualified
130.27 distribution from an account at any time. Nonqualified distributions are based on the total
130.28 account balances in an account owner's account and must be withdrawn proportionally
130.29 from contributions and earnings as provided in section 529A of the Internal Revenue
130.30 Code. The earnings portion of a nonqualified distribution is subject to a federal additional
130.31 tax pursuant to section 529A of the Internal Revenue Code. For purposes of this
130.32 subdivision, "earnings portion" means the ratio of the earnings in the account to the total
130.33 account balance, immediately prior to the distribution, multiplied by the distribution.

131.1 Sec. 52. Laws 2012, chapter 247, article 4, section 47, as amended by Laws 2014,
131.2 chapter 312, article 27, section 72, is amended to read:

131.3 Sec. 47. **COMMISSIONER TO SEEK AMENDMENT FOR EXCEPTION**
131.4 **TO CONSUMER-DIRECTED COMMUNITY SUPPORTS BUDGET**
131.5 **METHODOLOGY.**

131.6 ~~By July 1, 2014, if necessary,~~ The commissioner shall request an amendment to
131.7 ~~the home and community-based services waivers authorized under Minnesota Statutes,~~
131.8 ~~sections 256B.092 and 256B.49, to establish an exception to the consumer-directed~~
131.9 ~~community supports budget methodology for the home and community-based services~~
131.10 ~~waivers under Minnesota Statutes, sections 256B.092 and 256B.49, to provide up to~~
131.11 ~~20 percent more funds for those:~~

131.12 (1) consumer-directed community supports participants who have their 21st birthday
131.13 and graduate graduated from high school between 2013 to 2015 and are authorized for to
131.14 receive more services under consumer-directed community supports prior to graduation
131.15 than the amount they are eligible to receive under the current consumer-directed
131.16 community supports budget methodology; and

131.17 (2) those who are currently using licensed services for employment supports or
131.18 services during the day which cost more annually than the person would spend under a
131.19 consumer-directed community supports plan for individualized employment supports
131.20 or services during the day. The exception is limited to those who can demonstrate
131.21 either that they will have to leave consumer-directed community supports and use other
131.22 waiver services because their need for day or employment supports cannot be met
131.23 within the consumer-directed community supports budget limits or they will move to
131.24 consumer-directed community supports and their services will cost less than services
131.25 currently being used. The commissioner shall consult with the stakeholder group
131.26 authorized under Minnesota Statutes, section 256B.0657, subdivision 11, to implement
131.27 this provision. The exception process shall be effective upon federal approval for persons
131.28 eligible through June 30, 2017 2019.

131.29 Sec. 53. **PROVIDER RATE AND GRANT INCREASES EFFECTIVE JULY**
131.30 **1, 2016.**

131.31 (a) The commissioner of human services shall increase reimbursement rates, grants,
131.32 allocations, individual limits, and rate limits, as applicable, by five percent for the rate
131.33 period from July 1, 2016, to June 30, 2017, for services rendered on or after those dates.
131.34 County or tribal contracts for services specified in this section must be amended to pass
131.35 through the rate increase within 60 days of the effective date of the increase.

- 132.1 (b) The rate changes described in this section must be provided to:
- 132.2 (1) home and community-based waived services for persons with developmental
- 132.3 disabilities, including consumer-directed community supports, under Minnesota Statutes,
- 132.4 section 256B.092;
- 132.5 (2) waived services under community alternatives for disabled individuals,
- 132.6 including consumer-directed community supports, under Minnesota Statutes, section
- 132.7 256B.49;
- 132.8 (3) community alternative care waived services, including consumer-directed
- 132.9 community supports, under Minnesota Statutes, section 256B.49;
- 132.10 (4) brain injury waived services, including consumer-directed community
- 132.11 supports, under Minnesota Statutes, section 256B.49;
- 132.12 (5) home and community-based waived services for the elderly under Minnesota
- 132.13 Statutes, section 256B.0915;
- 132.14 (6) nursing services and home health services under Minnesota Statutes, section
- 132.15 256B.0625, subdivision 6a;
- 132.16 (7) personal care services and qualified professional supervision of personal care
- 132.17 services under Minnesota Statutes, section 256B.0625, subdivisions 6a and 19a;
- 132.18 (8) home care nursing services under Minnesota Statutes, section 256B.0625,
- 132.19 subdivision 7;
- 132.20 (9) community first services and supports under Minnesota Statutes, section 256B.85;
- 132.21 (10) essential community supports under Minnesota Statutes, section 256B.0922;
- 132.22 (11) day training and habilitation services for adults with developmental disabilities
- 132.23 under Minnesota Statutes, sections 252.41 to 252.46, including the additional cost to
- 132.24 counties of the rate adjustments on day training and habilitation services provided as a
- 132.25 social service;
- 132.26 (12) alternative care services under Minnesota Statutes, section 256B.0913;
- 132.27 (13) living skills training programs for persons with intractable epilepsy who need
- 132.28 assistance in the transition to independent living under Laws 1988, chapter 689;
- 132.29 (14) semi-independent living services (SILS) under Minnesota Statutes, section
- 132.30 252.275;
- 132.31 (15) consumer support grants under Minnesota Statutes, section 256.476;
- 132.32 (16) family support grants under Minnesota Statutes, section 252.32;
- 132.33 (17) housing access grants under Minnesota Statutes, section 256B.0658;
- 132.34 (18) self-advocacy grants under Laws 2009, chapter 101;
- 132.35 (19) technology grants under Laws 2009, chapter 79;

- 133.1 (20) aging grants under Minnesota Statutes, sections 256.975 to 256.977 and
133.2 256B.0917;
- 133.3 (21) deaf and hard-of-hearing grants, including community support services for deaf
133.4 and hard-of-hearing adults with mental illness who use or wish to use sign language as their
133.5 primary means of communication under Minnesota Statutes, section 256.01, subdivision 2;
- 133.6 (22) deaf and hard-of-hearing grants under Minnesota Statutes, sections 256C.233,
133.7 256C.25, and 256C.261;
- 133.8 (23) Disability Linkage Line grants under Minnesota Statutes, section 256.01,
133.9 subdivision 24;
- 133.10 (24) transition initiative grants under Minnesota Statutes, section 256.478;
- 133.11 (25) employment support grants under Minnesota Statutes, section 256B.021,
133.12 subdivision 6; and
- 133.13 (26) grants provided to people who are eligible for the Housing Opportunities for
133.14 Persons with AIDS program under Minnesota Statutes, section 256B.492.
- 133.15 (c) A managed care plan or county-based purchasing plan receiving state payments
133.16 for the services, grants, and programs in paragraph (b) must include the increase in their
133.17 payments to providers. For the purposes of this subdivision, entities that provide care
133.18 coordination are providers. To implement the rate increase in paragraph (a), capitation rates
133.19 paid by the commissioner to managed care plans and county-based purchasing plans under
133.20 Minnesota Statutes, section 256B.69, shall reflect a five percent increase for the services,
133.21 grants, and programs specified in paragraph (b) for the period beginning July 1, 2016.
- 133.22 (d) Counties shall increase the budget for each recipient of consumer-directed
133.23 community supports by the amounts in paragraph (a) on the effective date in paragraph (a).
- 133.24 (e) Providers that receive a rate increase under paragraph (a) shall use 90 percent
133.25 of the additional revenue to increase compensation-related costs for employees directly
133.26 employed by the program on or after the effective date of the rate adjustment in paragraph
133.27 (a), except:
- 133.28 (1) persons employed in the central office of a corporation or entity that has an
133.29 ownership interest in the provider or exercises control over the provider; and
- 133.30 (2) persons paid by the provider under a management contract.
- 133.31 (f) Compensation-related costs include:
- 133.32 (1) wages and salaries;
- 133.33 (2) the employer's share of FICA taxes, Medicare taxes, state and federal
133.34 unemployment taxes, workers' compensation, and mileage reimbursement;

134.1 (3) the employer's share of health and dental insurance, life insurance, disability
134.2 insurance, long-term care insurance, uniform allowance, pensions, and contributions to
134.3 employee retirement accounts; and

134.4 (4) other benefits provided and workforce needs, including the recruiting and
134.5 training of employees as specified in the distribution plan required under paragraph (k).

134.6 (g) For public employees under a collective bargaining agreement, the increases for
134.7 wages and benefits are available and pay rates must be increased only to the extent that the
134.8 increases comply with laws governing public employees' collective bargaining. A provider
134.9 that receives additional revenue for compensation-related cost increases under paragraph
134.10 (e), that is a public employer, and whose fiscal year ends on June 30 of each year, must use
134.11 the portion of the rate increase specified in paragraph (e) only for compensation-related
134.12 cost increases implemented between July 1, 2016, and August 1, 2016. A provider that
134.13 receives additional revenue for compensation-related cost increases under paragraph (e),
134.14 that is a public employer, and whose fiscal year ends on December 31 of each year, must
134.15 use the portion of the compensation-related cost increases specified in paragraph (e) only
134.16 for compensation-related cost increases implemented during the contract period.

134.17 (h) For a provider that has employees who are represented by an exclusive bargaining
134.18 representative, the provider shall obtain a letter of acceptance of the distribution plan
134.19 required under paragraph (k), in regard to the members of the bargaining unit, signed by
134.20 the exclusive bargaining agent. Upon receipt of the letter of acceptance, the provider shall
134.21 be deemed to have met all the requirements of this section in regard to the members of
134.22 the bargaining unit. Upon request, the provider shall produce the letter of acceptance for
134.23 the commissioner.

134.24 (i) The commissioner shall amend state grant contracts that include direct
134.25 personnel-related grant expenditures to include the allocation for the portion of the
134.26 contract related to employee compensation. Grant contracts for compensation-related
134.27 services must be amended to pass through these adjustments within 60 days of the
134.28 effective date of the increase under paragraph (a) and must be retroactive to the effective
134.29 date of the rate adjustment.

134.30 (j) The Board on Aging and its area agencies on aging shall amend their grants that
134.31 include direct personnel-related grant expenditures to include the rate adjustment for the
134.32 portion of the grant related to employee compensation. Grants for compensation-related
134.33 services must be amended to pass through these adjustments within 60 days of the
134.34 effective date of the increase under paragraph (a) and must be retroactive to the effective
134.35 date of the rate adjustment.

135.1 (k) A provider that receives a rate adjustment under paragraph (a) that is subject to
135.2 paragraph (e) shall prepare and, upon request, submit to the commissioner a distribution
135.3 plan that specifies the amount of money the provider expects to receive that is subject
135.4 to the requirements of paragraph (e), including how that money will be distributed to
135.5 increase compensation for employees.

135.6 (l) Within six months of the effective date of the rate adjustment, the provider shall
135.7 post the distribution plan required under paragraph (k) for a period of at least six weeks in
135.8 an area of the provider's operation to which all eligible employees have access and shall
135.9 provide instructions for employees who do not believe they have received the wage and
135.10 other compensation-related increases specified in the distribution plan. The instructions
135.11 must include a mailing address, e-mail address, and telephone number that the employee
135.12 may use to contact the commissioner or the commissioner's representative.

135.13 **Sec. 54. DIRECTION TO COMMISSIONER; PEDIATRIC HOME CARE**
135.14 **STUDY.**

135.15 The commissioner of human services shall review the status of delayed discharges of
135.16 pediatric patients and determine if an increase in the medical assistance payment rate for
135.17 intensive pediatric home care would reduce the number of delayed discharges of pediatric
135.18 patients. The commissioner shall report the results of the review to the chairs and ranking
135.19 minority members of the house of representatives and senate committees and divisions
135.20 with jurisdiction over health and human services policy and finance by January 15, 2016.

135.21 **Sec. 55. DIRECTION TO COMMISSIONER; REPORTS REQUIRED.**

135.22 The commissioner of human services shall develop and submit reports to the chairs
135.23 and ranking minority members of the house of representatives and senate committees and
135.24 divisions with jurisdiction over health and human services policy and finance on the
135.25 implementation of Minnesota Statutes, sections 256B.0916, subdivisions 2, 11, and 12,
135.26 and 256B.49, subdivisions 26 and 27. The commissioner shall submit two reports, one by
135.27 February 15, 2018, and the second by February 15, 2019.

135.28 **Sec. 56. DIRECTION TO COMMISSIONER; DAY TRAINING AND**
135.29 **HABILITATION.**

135.30 For service agreements renewed or entered into on or after January 1, 2016, the
135.31 commissioner of human services shall calculate the transportation portion of the payment
135.32 for day training and habilitation programs using payments factors found in Minnesota
135.33 Statutes, section 256B.4914, subdivision 7, clauses (16) and (17).

136.1 Sec. 57. **HOME AND COMMUNITY-BASED SERVICES INCENTIVE POOL.**

136.2 The commissioner of human services shall develop an initiative to provide
136.3 incentives for innovation in achieving integrated competitive employment, living in
136.4 the most integrated setting, and other outcomes determined by the commissioner. The
136.5 commissioner shall seek requests for proposals and shall contract with one or more entities
136.6 to provide incentive payments for meeting identified outcomes. The initial requests for
136.7 proposals must be issued by October 1, 2015.

136.8

ARTICLE 5

136.9 **NURSING FACILITY PAYMENT REFORM AND WORKFORCE**
136.10 **DEVELOPMENT**

136.11 Section 1. **[144.1503] HOME AND COMMUNITY-BASED SERVICES**
136.12 **EMPLOYEE SCHOLARSHIP PROGRAM.**

136.13 Subdivision 1. **Creation.** The home and community-based services employee
136.14 scholarship grant program is established for the purpose of assisting qualified provider
136.15 applicants to fund employee scholarships for education in nursing and other health care
136.16 fields.

136.17 Subd. 2. **Provision of grants.** The commissioner shall make grants available
136.18 to qualified providers of older adult services. Grants must be used by home and
136.19 community-based service providers to recruit and train staff through the establishment of
136.20 an employee scholarship fund.

136.21 Subd. 3. **Eligibility.** (a) Eligible providers must primarily provide services to
136.22 individuals who are 65 years of age and older in home and community-based settings,
136.23 including housing with services establishments as defined in section 144D.01, subdivision
136.24 4; adult day care as defined in section 245A.02, subdivision 2a; and home care services as
136.25 defined in section 144A.43, subdivision 3.

136.26 (b) Qualifying providers must establish a home and community-based services
136.27 employee scholarship program, as specified in subdivision 4. Providers that receive
136.28 funding under this section must use the funds to award scholarships to employees who
136.29 work an average of at least 16 hours per week for the provider.

136.30 Subd. 4. **Home and community-based services employee scholarship program.**
136.31 Each qualifying provider under this section must propose a home and community-based
136.32 services employee scholarship program. Providers must establish criteria by which
136.33 funds are to be distributed among employees. At a minimum, the scholarship program
136.34 must cover employee costs related to a course of study that is expected to lead to career

137.1 advancement with the provider or in the field of long-term care, including home care,
137.2 care of persons with disabilities, or nursing.

137.3 Subd. 5. **Participating providers.** The commissioner shall publish a request for
137.4 proposals in the State Register, specifying provider eligibility requirements, criteria for
137.5 a qualifying employee scholarship program, provider selection criteria, documentation
137.6 required for program participation, maximum award amount, and methods of evaluation.
137.7 The commissioner must publish additional requests for proposals each year in which
137.8 funding is available for this purpose.

137.9 Subd. 6. **Application requirements.** Eligible providers seeking a grant shall submit
137.10 an application to the commissioner. Applications must contain a complete description of
137.11 the employee scholarship program being proposed by the applicant, including the need for
137.12 the organization to enhance the education of its workforce, the process for determining
137.13 which employees will be eligible for scholarships, any other sources of funding for
137.14 scholarships, the expected degrees or credentials eligible for scholarships, the amount of
137.15 funding sought for the scholarship program, a proposed budget detailing how funds will
137.16 be spent, and plans for retaining eligible employees after completion of their scholarship.

137.17 Subd. 7. **Selection process.** The commissioner shall determine a maximum
137.18 award for grants and make grant selections based on the information provided in the
137.19 grant application, including the demonstrated need for an applicant provider to enhance
137.20 the education of its workforce, the proposed employee scholarship selection process,
137.21 the applicant's proposed budget, and other criteria as determined by the commissioner.
137.22 Notwithstanding any law or rule to the contrary, funds awarded to grantees in a grant
137.23 agreement do not lapse until the grant agreement expires.

137.24 Subd. 8. **Reporting requirements.** Participating providers shall submit an invoice
137.25 for reimbursement and a report to the commissioner on a schedule determined by the
137.26 commissioner and on a form supplied by the commissioner. The report shall include
137.27 the amount spent on scholarships; the number of employees who received scholarships;
137.28 and, for each scholarship recipient, the name of the recipient, the current position of
137.29 the recipient, the amount awarded, the educational institution attended, the nature of
137.30 the educational program, and the expected or actual program completion date. During
137.31 the grant period, the commissioner may require and collect from grant recipients other
137.32 information necessary to evaluate the program.

137.33 Sec. 2. Minnesota Statutes 2014, section 144A.071, subdivision 4a, is amended to read:

137.34 Subd. 4a. **Exceptions for replacement beds.** It is in the best interest of the state
137.35 to ensure that nursing homes and boarding care homes continue to meet the physical

138.1 plant licensing and certification requirements by permitting certain construction projects.
138.2 Facilities should be maintained in condition to satisfy the physical and emotional needs
138.3 of residents while allowing the state to maintain control over nursing home expenditure
138.4 growth.

138.5 The commissioner of health in coordination with the commissioner of human
138.6 services, may approve the renovation, replacement, upgrading, or relocation of a nursing
138.7 home or boarding care home, under the following conditions:

138.8 (a) to license or certify beds in a new facility constructed to replace a facility or to
138.9 make repairs in an existing facility that was destroyed or damaged after June 30, 1987, by
138.10 fire, lightning, or other hazard provided:

138.11 (i) destruction was not caused by the intentional act of or at the direction of a
138.12 controlling person of the facility;

138.13 (ii) at the time the facility was destroyed or damaged the controlling persons of the
138.14 facility maintained insurance coverage for the type of hazard that occurred in an amount
138.15 that a reasonable person would conclude was adequate;

138.16 (iii) the net proceeds from an insurance settlement for the damages caused by the
138.17 hazard are applied to the cost of the new facility or repairs;

138.18 (iv) the number of licensed and certified beds in the new facility does not exceed the
138.19 number of licensed and certified beds in the destroyed facility; and

138.20 (v) the commissioner determines that the replacement beds are needed to prevent an
138.21 inadequate supply of beds.

138.22 Project construction costs incurred for repairs authorized under this clause shall not be
138.23 considered in the dollar threshold amount defined in subdivision 2;

138.24 (b) to license or certify beds that are moved from one location to another within a
138.25 nursing home facility, provided the total costs of remodeling performed in conjunction
138.26 with the relocation of beds does not exceed \$1,000,000;

138.27 (c) to license or certify beds in a project recommended for approval under section
138.28 144A.073;

138.29 (d) to license or certify beds that are moved from an existing state nursing home to
138.30 a different state facility, provided there is no net increase in the number of state nursing
138.31 home beds;

138.32 (e) to certify and license as nursing home beds boarding care beds in a certified
138.33 boarding care facility if the beds meet the standards for nursing home licensure, or in a
138.34 facility that was granted an exception to the moratorium under section 144A.073, and if
138.35 the cost of any remodeling of the facility does not exceed \$1,000,000. If boarding care
138.36 beds are licensed as nursing home beds, the number of boarding care beds in the facility

139.1 must not increase beyond the number remaining at the time of the upgrade in licensure.

139.2 The provisions contained in section 144A.073 regarding the upgrading of the facilities
139.3 do not apply to facilities that satisfy these requirements;

139.4 (f) to license and certify up to 40 beds transferred from an existing facility owned and
139.5 operated by the Amherst H. Wilder Foundation in the city of St. Paul to a new unit at the
139.6 same location as the existing facility that will serve persons with Alzheimer's disease and
139.7 other related disorders. The transfer of beds may occur gradually or in stages, provided
139.8 the total number of beds transferred does not exceed 40. At the time of licensure and
139.9 certification of a bed or beds in the new unit, the commissioner of health shall delicense
139.10 and decertify the same number of beds in the existing facility. As a condition of receiving
139.11 a license or certification under this clause, the facility must make a written commitment
139.12 to the commissioner of human services that it will not seek to receive an increase in its
139.13 property-related payment rate as a result of the transfers allowed under this paragraph;

139.14 (g) to license and certify nursing home beds to replace currently licensed and certified
139.15 boarding care beds which may be located either in a remodeled or renovated boarding care
139.16 or nursing home facility or in a remodeled, renovated, newly constructed, or replacement
139.17 nursing home facility within the identifiable complex of health care facilities in which the
139.18 currently licensed boarding care beds are presently located, provided that the number of
139.19 boarding care beds in the facility or complex are decreased by the number to be licensed
139.20 as nursing home beds and further provided that, if the total costs of new construction,
139.21 replacement, remodeling, or renovation exceed ten percent of the appraised value of
139.22 the facility or \$200,000, whichever is less, the facility makes a written commitment to
139.23 the commissioner of human services that it will not seek to receive an increase in its
139.24 property-related payment rate by reason of the new construction, replacement, remodeling,
139.25 or renovation. The provisions contained in section 144A.073 regarding the upgrading of
139.26 facilities do not apply to facilities that satisfy these requirements;

139.27 (h) to license as a nursing home and certify as a nursing facility a facility that is
139.28 licensed as a boarding care facility but not certified under the medical assistance program,
139.29 but only if the commissioner of human services certifies to the commissioner of health that
139.30 licensing the facility as a nursing home and certifying the facility as a nursing facility will
139.31 result in a net annual savings to the state general fund of \$200,000 or more;

139.32 (i) to certify, after September 30, 1992, and prior to July 1, 1993, existing nursing
139.33 home beds in a facility that was licensed and in operation prior to January 1, 1992;

139.34 (j) to license and certify new nursing home beds to replace beds in a facility acquired
139.35 by the Minneapolis Community Development Agency as part of redevelopment activities
139.36 in a city of the first class, provided the new facility is located within three miles of the site

140.1 of the old facility. Operating and property costs for the new facility must be determined
140.2 and allowed under section 256B.431 or 256B.434;

140.3 (k) to license and certify up to 20 new nursing home beds in a community-operated
140.4 hospital and attached convalescent and nursing care facility with 40 beds on April 21,
140.5 1991, that suspended operation of the hospital in April 1986. The commissioner of human
140.6 services shall provide the facility with the same per diem property-related payment rate
140.7 for each additional licensed and certified bed as it will receive for its existing 40 beds;

140.8 (l) to license or certify beds in renovation, replacement, or upgrading projects as
140.9 defined in section 144A.073, subdivision 1, so long as the cumulative total costs of the
140.10 facility's remodeling projects do not exceed \$1,000,000;

140.11 (m) to license and certify beds that are moved from one location to another for the
140.12 purposes of converting up to five four-bed wards to single or double occupancy rooms
140.13 in a nursing home that, as of January 1, 1993, was county-owned and had a licensed
140.14 capacity of 115 beds;

140.15 (n) to allow a facility that on April 16, 1993, was a 106-bed licensed and certified
140.16 nursing facility located in Minneapolis to layaway all of its licensed and certified nursing
140.17 home beds. These beds may be relicensed and recertified in a newly constructed teaching
140.18 nursing home facility affiliated with a teaching hospital upon approval by the legislature.
140.19 The proposal must be developed in consultation with the interagency committee on
140.20 long-term care planning. The beds on layaway status shall have the same status as
140.21 voluntarily delicensed and decertified beds, except that beds on layaway status remain
140.22 subject to the surcharge in section 256.9657. This layaway provision expires July 1, 1998;

140.23 (o) to allow a project which will be completed in conjunction with an approved
140.24 moratorium exception project for a nursing home in southern Cass County and which is
140.25 directly related to that portion of the facility that must be repaired, renovated, or replaced,
140.26 to correct an emergency plumbing problem for which a state correction order has been
140.27 issued and which must be corrected by August 31, 1993;

140.28 (p) to allow a facility that on April 16, 1993, was a 368-bed licensed and certified
140.29 nursing facility located in Minneapolis to layaway, upon 30 days prior written notice to
140.30 the commissioner, up to 30 of the facility's licensed and certified beds by converting
140.31 three-bed wards to single or double occupancy. Beds on layaway status shall have the
140.32 same status as voluntarily delicensed and decertified beds except that beds on layaway
140.33 status remain subject to the surcharge in section 256.9657, remain subject to the license
140.34 application and renewal fees under section 144A.07 and shall be subject to a \$100 per bed
140.35 reactivation fee. In addition, at any time within three years of the effective date of the
140.36 layaway, the beds on layaway status may be:

141.1 (1) relicensed and recertified upon relocation and reactivation of some or all of
141.2 the beds to an existing licensed and certified facility or facilities located in Pine River,
141.3 Brainerd, or International Falls; provided that the total project construction costs related to
141.4 the relocation of beds from layaway status for any facility receiving relocated beds may
141.5 not exceed the dollar threshold provided in subdivision 2 unless the construction project
141.6 has been approved through the moratorium exception process under section 144A.073;

141.7 (2) relicensed and recertified, upon reactivation of some or all of the beds within the
141.8 facility which placed the beds in layaway status, if the commissioner has determined a
141.9 need for the reactivation of the beds on layaway status.

141.10 The property-related payment rate of a facility placing beds on layaway status
141.11 must be adjusted by the incremental change in its rental per diem after recalculating the
141.12 rental per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The
141.13 property-related payment rate for a facility relicensing and recertifying beds from layaway
141.14 status must be adjusted by the incremental change in its rental per diem after recalculating
141.15 its rental per diem using the number of beds after the relicensing to establish the facility's
141.16 capacity day divisor, which shall be effective the first day of the month following the
141.17 month in which the relicensing and recertification became effective. Any beds remaining
141.18 on layaway status more than three years after the date the layaway status became effective
141.19 must be removed from layaway status and immediately delicensed and decertified;

141.20 (q) to license and certify beds in a renovation and remodeling project to convert 12
141.21 four-bed wards into 24 two-bed rooms, expand space, and add improvements in a nursing
141.22 home that, as of January 1, 1994, met the following conditions: the nursing home was
141.23 located in Ramsey County; had a licensed capacity of 154 beds; and had been ranked
141.24 among the top 15 applicants by the 1993 moratorium exceptions advisory review panel.
141.25 The total project construction cost estimate for this project must not exceed the cost
141.26 estimate submitted in connection with the 1993 moratorium exception process;

141.27 (r) to license and certify up to 117 beds that are relocated from a licensed and certified
141.28 138-bed nursing facility located in St. Paul to a hospital with 130 licensed hospital beds
141.29 located in South St. Paul, provided that the nursing facility and hospital are owned by the
141.30 same or a related organization and that prior to the date the relocation is completed the
141.31 hospital ceases operation of its inpatient hospital services at that hospital. After relocation,
141.32 the nursing facility's status shall be the same as it was prior to relocation. The nursing
141.33 facility's property-related payment rate resulting from the project authorized in this
141.34 paragraph shall become effective no earlier than April 1, 1996. For purposes of calculating
141.35 the incremental change in the facility's rental per diem resulting from this project, the

142.1 allowable appraised value of the nursing facility portion of the existing health care facility
142.2 physical plant prior to the renovation and relocation may not exceed \$2,490,000;

142.3 (s) to license and certify two beds in a facility to replace beds that were voluntarily
142.4 delicensed and decertified on June 28, 1991;

142.5 (t) to allow 16 licensed and certified beds located on July 1, 1994, in a 142-bed
142.6 nursing home and 21-bed boarding care home facility in Minneapolis, notwithstanding
142.7 the licensure and certification after July 1, 1995, of the Minneapolis facility as a 147-bed
142.8 nursing home facility after completion of a construction project approved in 1993 under
142.9 section 144A.073, to be laid away upon 30 days' prior written notice to the commissioner.
142.10 Beds on layaway status shall have the same status as voluntarily delicensed or decertified
142.11 beds except that they shall remain subject to the surcharge in section 256.9657. The
142.12 16 beds on layaway status may be relicensed as nursing home beds and recertified at
142.13 any time within five years of the effective date of the layaway upon relocation of some
142.14 or all of the beds to a licensed and certified facility located in Watertown, provided that
142.15 the total project construction costs related to the relocation of beds from layaway status
142.16 for the Watertown facility may not exceed the dollar threshold provided in subdivision
142.17 2 unless the construction project has been approved through the moratorium exception
142.18 process under section 144A.073.

142.19 The property-related payment rate of the facility placing beds on layaway status must
142.20 be adjusted by the incremental change in its rental per diem after recalculating the rental per
142.21 diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related
142.22 payment rate for the facility relicensing and recertifying beds from layaway status must be
142.23 adjusted by the incremental change in its rental per diem after recalculating its rental per
142.24 diem using the number of beds after the relicensing to establish the facility's capacity day
142.25 divisor, which shall be effective the first day of the month following the month in which
142.26 the relicensing and recertification became effective. Any beds remaining on layaway
142.27 status more than five years after the date the layaway status became effective must be
142.28 removed from layaway status and immediately delicensed and decertified;

142.29 (u) to license and certify beds that are moved within an existing area of a facility or
142.30 to a newly constructed addition which is built for the purpose of eliminating three- and
142.31 four-bed rooms and adding space for dining, lounge areas, bathing rooms, and ancillary
142.32 service areas in a nursing home that, as of January 1, 1995, was located in Fridley and had
142.33 a licensed capacity of 129 beds;

142.34 (v) to relocate 36 beds in Crow Wing County and four beds from Hennepin County
142.35 to a 160-bed facility in Crow Wing County, provided all the affected beds are under
142.36 common ownership;

143.1 (w) to license and certify a total replacement project of up to 49 beds located in
143.2 Norman County that are relocated from a nursing home destroyed by flood and whose
143.3 residents were relocated to other nursing homes. The operating cost payment rates for
143.4 the new nursing facility shall be determined based on the interim and settle-up payment
143.5 provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of
143.6 section 256B.431. Property-related reimbursement rates shall be determined under section
143.7 256B.431, taking into account any federal or state flood-related loans or grants provided
143.8 to the facility;

143.9 (x) to license and certify a total to the licensee of a nursing home in Polk County
143.10 that was destroyed by flood in 1997 replacement project projects with a total of up to 129
143.11 beds, with at least 25 beds to be located in Polk County that are relocated from a nursing
143.12 home destroyed by flood and whose residents were relocated to other nursing homes. and
143.13 up to 104 beds distributed among up to three other counties. These beds may only be
143.14 distributed to counties with fewer than the median number of age intensity adjusted beds
143.15 per thousand, as most recently published by the commissioner of human services. If the
143.16 licensee chooses to distribute beds outside of Polk County under this paragraph, prior to
143.17 distributing the beds, the commissioner of health must approve the location in which the
143.18 licensee plans to distribute the beds. The commissioner of health shall consult with the
143.19 commissioner of human services prior to approving the location of the proposed beds.
143.20 The licensee may combine these beds with beds relocated from other nursing facilities
143.21 as provided in section 144A.073, subdivision 3c. The operating cost payment rates for
143.22 the new nursing facility facilities shall be determined based on the interim and settle-up
143.23 payment provisions of section 256B.431, 256B.434, or 256B.441 or Minnesota Rules, part
143.24 9549.0057, and the reimbursement provisions of section 256B.431, except that subdivision
143.25 26, paragraphs (a) and (b), shall not apply until the second rate year after the settle-up cost
143.26 report is filed. Property-related reimbursement rates shall be determined under section
143.27 256B.431, taking into account any federal or state flood-related loans or grants provided to
143.28 the facility; parts 9549.0010 to 9549.0080. Property-related reimbursement rates shall
143.29 be determined under section 256B.431, 256B.434, or 256B.441. If the replacement beds
143.30 permitted under this paragraph are combined with beds from other nursing facilities, the
143.31 rates shall be calculated as the weighted average of rates determined as provided in this
143.32 paragraph and section 256B.441, subdivision 60;

143.33 (y) to license and certify beds in a renovation and remodeling project to convert 13
143.34 three-bed wards into 13 two-bed rooms and 13 single-bed rooms, expand space, and
143.35 add improvements in a nursing home that, as of January 1, 1994, met the following
143.36 conditions: the nursing home was located in Ramsey County, was not owned by a hospital

144.1 corporation, had a licensed capacity of 64 beds, and had been ranked among the top 15
144.2 applicants by the 1993 moratorium exceptions advisory review panel. The total project
144.3 construction cost estimate for this project must not exceed the cost estimate submitted in
144.4 connection with the 1993 moratorium exception process;

144.5 (z) to license and certify up to 150 nursing home beds to replace an existing 285
144.6 bed nursing facility located in St. Paul. The replacement project shall include both the
144.7 renovation of existing buildings and the construction of new facilities at the existing
144.8 site. The reduction in the licensed capacity of the existing facility shall occur during the
144.9 construction project as beds are taken out of service due to the construction process. Prior
144.10 to the start of the construction process, the facility shall provide written information to the
144.11 commissioner of health describing the process for bed reduction, plans for the relocation
144.12 of residents, and the estimated construction schedule. The relocation of residents shall be
144.13 in accordance with the provisions of law and rule;

144.14 (aa) to allow the commissioner of human services to license an additional 36 beds
144.15 to provide residential services for the physically disabled under Minnesota Rules, parts
144.16 9570.2000 to 9570.3400, in a 198-bed nursing home located in Red Wing, provided that
144.17 the total number of licensed and certified beds at the facility does not increase;

144.18 (bb) to license and certify a new facility in St. Louis County with 44 beds
144.19 constructed to replace an existing facility in St. Louis County with 31 beds, which has
144.20 resident rooms on two separate floors and an antiquated elevator that creates safety
144.21 concerns for residents and prevents nonambulatory residents from residing on the second
144.22 floor. The project shall include the elimination of three- and four-bed rooms;

144.23 (cc) to license and certify four beds in a 16-bed certified boarding care home in
144.24 Minneapolis to replace beds that were voluntarily delicensed and decertified on or
144.25 before March 31, 1992. The licensure and certification is conditional upon the facility
144.26 periodically assessing and adjusting its resident mix and other factors which may
144.27 contribute to a potential institution for mental disease declaration. The commissioner of
144.28 human services shall retain the authority to audit the facility at any time and shall require
144.29 the facility to comply with any requirements necessary to prevent an institution for mental
144.30 disease declaration, including delicensure and decertification of beds, if necessary;

144.31 (dd) to license and certify 72 beds in an existing facility in Mille Lacs County with
144.32 80 beds as part of a renovation project. The renovation must include construction of
144.33 an addition to accommodate ten residents with beginning and midstage dementia in a
144.34 self-contained living unit; creation of three resident households where dining, activities,
144.35 and support spaces are located near resident living quarters; designation of four beds

145.1 for rehabilitation in a self-contained area; designation of 30 private rooms; and other
145.2 improvements;

145.3 (ee) to license and certify beds in a facility that has undergone replacement or
145.4 remodeling as part of a planned closure under section 256B.437;

145.5 (ff) to license and certify a total replacement project of up to 124 beds located
145.6 in Wilkin County that are in need of relocation from a nursing home significantly
145.7 damaged by flood. The operating cost payment rates for the new nursing facility shall be
145.8 determined based on the interim and settle-up payment provisions of Minnesota Rules,
145.9 part 9549.0057, and the reimbursement provisions of section 256B.431. Property-related
145.10 reimbursement rates shall be determined under section 256B.431, taking into account any
145.11 federal or state flood-related loans or grants provided to the facility;

145.12 (gg) to allow the commissioner of human services to license an additional nine beds
145.13 to provide residential services for the physically disabled under Minnesota Rules, parts
145.14 9570.2000 to 9570.3400, in a 240-bed nursing home located in Duluth, provided that the
145.15 total number of licensed and certified beds at the facility does not increase;

145.16 (hh) to license and certify up to 120 new nursing facility beds to replace beds in a
145.17 facility in Anoka County, which was licensed for 98 beds as of July 1, 2000, provided the
145.18 new facility is located within four miles of the existing facility and is in Anoka County.
145.19 Operating and property rates shall be determined and allowed under section 256B.431 and
145.20 Minnesota Rules, parts 9549.0010 to 9549.0080, or section 256B.434 or 256B.441; or

145.21 (ii) to transfer up to 98 beds of a 129-licensed bed facility located in Anoka County
145.22 that, as of March 25, 2001, is in the active process of closing, to a 122-licensed bed nonprofit
145.23 nursing facility located in the city of Columbia Heights or its affiliate. The transfer is
145.24 effective when the receiving facility notifies the commissioner in writing of the number of
145.25 beds accepted. The commissioner shall place all transferred beds on layaway status held in
145.26 the name of the receiving facility. The layaway adjustment provisions of section 256B.431,
145.27 subdivision 30, do not apply to this layaway. The receiving facility may only remove the
145.28 beds from layaway for recertification and relicensure at the receiving facility's current
145.29 site, or at a newly constructed facility located in Anoka County. The receiving facility
145.30 must receive statutory authorization before removing these beds from layaway status, or
145.31 may remove these beds from layaway status if removal from layaway status is part of a
145.32 moratorium exception project approved by the commissioner under section 144A.073.

145.33 Sec. 3. Minnesota Statutes 2014, section 256B.0913, subdivision 4, is amended to read:

146.1 Subd. 4. **Eligibility for funding for services for nonmedical assistance recipients.**

146.2 (a) Funding for services under the alternative care program is available to persons who
146.3 meet the following criteria:

146.4 (1) the person has been determined by a community assessment under section
146.5 256B.0911 to be a person who would require the level of care provided in a nursing
146.6 facility, as determined under section 256B.0911, subdivision 4e, but for the provision of
146.7 services under the alternative care program;

146.8 (2) the person is age 65 or older;

146.9 (3) the person would be eligible for medical assistance within 135 days of admission
146.10 to a nursing facility;

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

146.14 (5) the person needs long-term care services that are not funded through other
146.15 state or federal funding, or other health insurance or other third-party insurance such as
146.16 long-term care insurance;

146.17 (6) except for individuals described in clause (7), the monthly cost of the alternative
146.18 care services funded by the program for this person does not exceed 75 percent of the
146.19 monthly limit described under section 256B.0915, subdivision 3a. This monthly limit
146.20 does not prohibit the alternative care client from payment for additional services, but in no
146.21 case may the cost of additional services purchased under this section exceed the difference
146.22 between the client's monthly service limit defined under section 256B.0915, subdivision
146.23 3, and the alternative care program monthly service limit defined in this paragraph. If
146.24 care-related supplies and equipment or environmental modifications and adaptations are or
146.25 will be purchased for an alternative care services recipient, the costs may be prorated on a
146.26 monthly basis for up to 12 consecutive months beginning with the month of purchase.
146.27 If the monthly cost of a recipient's other alternative care services exceeds the monthly
146.28 limit established in this paragraph, the annual cost of the alternative care services shall be
146.29 determined. In this event, the annual cost of alternative care services shall not exceed 12
146.30 times the monthly limit described in this paragraph;

146.31 (7) for individuals assigned a case mix classification A as described under section
146.32 256B.0915, subdivision 3a, paragraph (a), with (i) no dependencies in activities of daily
146.33 living, or (ii) up to two dependencies in bathing, dressing, grooming, walking, and eating
146.34 when the dependency score in eating is three or greater as determined by an assessment
146.35 performed under section 256B.0911, the monthly cost of alternative care services funded
146.36 by the program cannot exceed \$593 per month for all new participants enrolled in

147.1 the program on or after July 1, 2011. This monthly limit shall be applied to all other
147.2 participants who meet this criteria at reassessment. This monthly limit shall be increased
147.3 annually as described in section 256B.0915, subdivision 3a, ~~paragraph~~ paragraphs (a) and
147.4 (e). This monthly limit does not prohibit the alternative care client from payment for
147.5 additional services, but in no case may the cost of additional services purchased exceed the
147.6 difference between the client's monthly service limit defined in this clause and the limit
147.7 described in clause (6) for case mix classification A; and

147.8 (8) the person is making timely payments of the assessed monthly fee.

147.9 A person is ineligible if payment of the fee is over 60 days past due, unless the person
147.10 agrees to:

147.11 (i) the appointment of a representative payee;

147.12 (ii) automatic payment from a financial account;

147.13 (iii) the establishment of greater family involvement in the financial management of
147.14 payments; or

147.15 (iv) another method acceptable to the lead agency to ensure prompt fee payments.

147.16 The lead agency may extend the client's eligibility as necessary while making
147.17 arrangements to facilitate payment of past-due amounts and future premium payments.

147.18 Following disenrollment due to nonpayment of a monthly fee, eligibility shall not be
147.19 reinstated for a period of 30 days.

147.20 (b) Alternative care funding under this subdivision is not available for a person who
147.21 is a medical assistance recipient or who would be eligible for medical assistance without a
147.22 spenddown or waiver obligation. A person whose initial application for medical assistance
147.23 and the elderly waiver program is being processed may be served under the alternative care
147.24 program for a period up to 60 days. If the individual is found to be eligible for medical
147.25 assistance, medical assistance must be billed for services payable under the federally
147.26 approved elderly waiver plan and delivered from the date the individual was found eligible
147.27 for the federally approved elderly waiver plan. Notwithstanding this provision, alternative
147.28 care funds may not be used to pay for any service the cost of which: (i) is payable by
147.29 medical assistance; (ii) is used by a recipient to meet a waiver obligation; or (iii) is used to
147.30 pay a medical assistance income spenddown for a person who is eligible to participate in the
147.31 federally approved elderly waiver program under the special income standard provision.

147.32 (c) Alternative care funding is not available for a person who resides in a licensed
147.33 nursing home, certified boarding care home, hospital, or intermediate care facility, except
147.34 for case management services which are provided in support of the discharge planning
147.35 process for a nursing home resident or certified boarding care home resident to assist with
147.36 a relocation process to a community-based setting.

148.1 (d) Alternative care funding is not available for a person whose income is greater
148.2 than the maintenance needs allowance under section 256B.0915, subdivision 1d, but equal
148.3 to or less than 120 percent of the federal poverty guideline effective July 1 in the fiscal
148.4 year for which alternative care eligibility is determined, who would be eligible for the
148.5 elderly waiver with a waiver obligation.

148.6 Sec. 4. Minnesota Statutes 2014, section 256B.0915, subdivision 3a, is amended to read:

148.7 Subd. 3a. **Elderly waiver cost limits.** (a) ~~The monthly limit for the cost of~~
148.8 ~~waivered services to an individual elderly waiver client except for individuals described~~
148.9 ~~in paragraphs (b) and (d) shall be the weighted average monthly nursing facility rate of~~
148.10 ~~the case mix resident class to which the elderly waiver client would be assigned under~~
148.11 ~~Minnesota Rules, parts 9549.0050 to 9549.0059, less the recipient's maintenance needs~~
148.12 ~~allowance as described in subdivision 1d, paragraph (a), until the first day of the state~~
148.13 ~~fiscal year in which the resident assessment system as described in section 256B.438 for~~
148.14 ~~nursing home rate determination is implemented. Effective on the first day of the state~~
148.15 ~~fiscal year in which the resident assessment system as described in section 256B.438 for~~
148.16 ~~nursing home rate determination is implemented and the first day of each subsequent state~~
148.17 ~~fiscal year, the monthly limit for the cost of waived services to an individual elderly~~
148.18 ~~waiver client shall be the rate monthly limit of the case mix resident class to which the~~
148.19 ~~waiver client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, in~~
148.20 ~~effect on the last day of the previous state fiscal year, adjusted by any legislatively adopted~~
148.21 ~~home and community-based services percentage rate adjustment.~~

148.22 (b) The monthly limit for the cost of waived services under paragraph (a) to an
148.23 individual elderly waiver client assigned to a case mix classification A ~~under paragraph~~
148.24 ~~(a)~~ with:

148.25 (1) no dependencies in activities of daily living; or

148.26 (2) up to two dependencies in bathing, dressing, grooming, walking, and eating
148.27 when the dependency score in eating is three or greater as determined by an assessment
148.28 performed under section 256B.0911 shall be \$1,750 per month effective on July 1, 2011,
148.29 for all new participants enrolled in the program on or after July 1, 2011. This monthly
148.30 limit shall be applied to all other participants who meet this criteria at reassessment. This
148.31 monthly limit shall be increased annually as described in ~~paragraph~~ paragraphs (a) and (e).

148.32 (c) If extended medical supplies and equipment or environmental modifications are
148.33 or will be purchased for an elderly waiver client, the costs may be prorated for up to
148.34 12 consecutive months beginning with the month of purchase. If the monthly cost of a
148.35 recipient's waived services exceeds the monthly limit established in paragraph (a) or

149.1 (b), (d), or (e), the annual cost of all waived services shall be determined. In this event,
149.2 the annual cost of all waived services shall not exceed 12 times the monthly limit of
149.3 waived services as described in paragraph (a) ~~or~~, (b), (d), or (e).

149.4 (d) Effective July 1, 2013, the monthly cost limit of waiver services, including
149.5 any necessary home care services described in section 256B.0651, subdivision 2, for
149.6 individuals who meet the criteria as ventilator-dependent given in section 256B.0651,
149.7 subdivision 1, paragraph (g), shall be the average of the monthly medical assistance
149.8 amount established for home care services as described in section 256B.0652, subdivision
149.9 7, and the annual average contracted amount established by the commissioner for nursing
149.10 facility services for ventilator-dependent individuals. This monthly limit shall be increased
149.11 annually as described in ~~paragraph~~ paragraphs (a) and (e).

149.12 (e) Effective July 1, 2016, and each July 1 thereafter, the monthly cost limits for
149.13 elderly waiver services in effect on the previous June 30 shall be adjusted by the greater of
149.14 the difference between any legislatively adopted home and community-based provider
149.15 rate increase effective on July 1 and the average statewide percentage increase in nursing
149.16 facility operating payment rates under sections 256B.431, 256B.434, and 256B.441,
149.17 effective the previous January 1.

149.18 **EFFECTIVE DATE.** This section is effective July 1, 2016.

149.19 Sec. 5. Minnesota Statutes 2014, section 256B.0915, subdivision 3e, is amended to read:

149.20 Subd. 3e. **Customized living service rate.** (a) Payment for customized living
149.21 services shall be a monthly rate authorized by the lead agency within the parameters
149.22 established by the commissioner. The payment agreement must delineate the amount of
149.23 each component service included in the recipient's customized living service plan. The
149.24 lead agency, with input from the provider of customized living services, shall ensure that
149.25 there is a documented need within the parameters established by the commissioner for all
149.26 component customized living services authorized.

149.27 (b) The payment rate must be based on the amount of component services to be
149.28 provided utilizing component rates established by the commissioner. Counties and tribes
149.29 shall use tools issued by the commissioner to develop and document customized living
149.30 service plans and rates.

149.31 (c) Component service rates must not exceed payment rates for comparable elderly
149.32 waiver or medical assistance services and must reflect economies of scale. Customized
149.33 living services must not include rent or raw food costs.

149.34 (d) With the exception of individuals described in subdivision 3a, paragraph (b), the
149.35 individualized monthly authorized payment for the customized living service plan shall not

150.1 exceed 50 percent of the greater of either the statewide or any of the geographic groups'
150.2 weighted average monthly nursing facility rate of the case mix resident class to which the
150.3 elderly waiver eligible client would be assigned under Minnesota Rules, parts 9549.0050 to
150.4 9549.0059, less the maintenance needs allowance as described in subdivision 1d, paragraph
150.5 (a), ~~until the July 1 of the state fiscal year in which the resident assessment system as~~
150.6 ~~described in section 256B.438 for nursing home rate determination is implemented.~~

150.7 Effective on July 1 of the state fiscal year in which the resident assessment system as
150.8 described in section 256B.438 for nursing home rate determination is implemented and
150.9 July 1 of each subsequent state fiscal year, the individualized monthly authorized payment
150.10 for the services described in this clause shall not exceed the limit which was in effect on
150.11 June 30 of the previous state fiscal year updated annually based on legislatively adopted
150.12 changes to all service rate maximums for home and community-based service providers.

150.13 (e) Effective July 1, 2011, the individualized monthly payment for the customized
150.14 living service plan for individuals described in subdivision 3a, paragraph (b), must be the
150.15 monthly authorized payment limit for customized living for individuals classified as case
150.16 mix A, reduced by 25 percent. This rate limit must be applied to all new participants
150.17 enrolled in the program on or after July 1, 2011, who meet the criteria described in
150.18 subdivision 3a, paragraph (b). This monthly limit also applies to all other participants who
150.19 meet the criteria described in subdivision 3a, paragraph (b), at reassessment.

150.20 (f) Customized living services are delivered by a provider licensed by the
150.21 Department of Health as a class A or class F home care provider and provided in a
150.22 building that is registered as a housing with services establishment under chapter 144D.
150.23 Licensed home care providers are subject to section 256B.0651, subdivision 14.

150.24 (g) A provider may not bill or otherwise charge an elderly waiver participant or their
150.25 family for additional units of any allowable component service beyond those available
150.26 under the service rate limits described in paragraph (d), nor for additional units of any
150.27 allowable component service beyond those approved in the service plan by the lead agency.

150.28 (h) Effective July 1, 2016, and each July 1 thereafter, individualized service rate
150.29 limits for customized living services under this subdivision shall be adjusted by the greater
150.30 of the difference between any legislatively adopted home and community-based provider
150.31 rate increase effective on July 1 and the average statewide percentage increase in nursing
150.32 facility operating payment rates under sections 256B.431, 256B.434, and 256B.441,
150.33 effective the previous January 1.

150.34 **EFFECTIVE DATE.** This section is effective July 1, 2016.

150.35 Sec. 6. Minnesota Statutes 2014, section 256B.0915, subdivision 3h, is amended to read:

151.1 Subd. 3h. **Service rate limits; 24-hour customized living services.** (a) The
151.2 payment rate for 24-hour customized living services is a monthly rate authorized by the
151.3 lead agency within the parameters established by the commissioner of human services.
151.4 The payment agreement must delineate the amount of each component service included
151.5 in each recipient's customized living service plan. The lead agency, with input from
151.6 the provider of customized living services, shall ensure that there is a documented need
151.7 within the parameters established by the commissioner for all component customized
151.8 living services authorized. The lead agency shall not authorize 24-hour customized living
151.9 services unless there is a documented need for 24-hour supervision.

151.10 (b) For purposes of this section, "24-hour supervision" means that the recipient
151.11 requires assistance due to needs related to one or more of the following:

151.12 (1) intermittent assistance with toileting, positioning, or transferring;

151.13 (2) cognitive or behavioral issues;

151.14 (3) a medical condition that requires clinical monitoring; or

151.15 (4) for all new participants enrolled in the program on or after July 1, 2011, and

151.16 all other participants at their first reassessment after July 1, 2011, dependency in at

151.17 least three of the following activities of daily living as determined by assessment under

151.18 section 256B.0911: bathing; dressing; grooming; walking; or eating when the dependency

151.19 score in eating is three or greater; and needs medication management and at least 50

151.20 hours of service per month. The lead agency shall ensure that the frequency and mode

151.21 of supervision of the recipient and the qualifications of staff providing supervision are

151.22 described and meet the needs of the recipient.

151.23 (c) The payment rate for 24-hour customized living services must be based on the
151.24 amount of component services to be provided utilizing component rates established by the
151.25 commissioner. Counties and tribes will use tools issued by the commissioner to develop
151.26 and document customized living plans and authorize rates.

151.27 (d) Component service rates must not exceed payment rates for comparable elderly
151.28 waiver or medical assistance services and must reflect economies of scale.

151.29 (e) The individually authorized 24-hour customized living payments, in combination
151.30 with the payment for other elderly waiver services, including case management, must not
151.31 exceed the recipient's community budget cap specified in subdivision 3a. Customized
151.32 living services must not include rent or raw food costs.

151.33 (f) The individually authorized 24-hour customized living payment rates shall not
151.34 exceed the 95 percentile of statewide monthly authorizations for 24-hour customized
151.35 living services in effect and in the Medicaid management information systems on March
151.36 31, 2009, for each case mix resident class under Minnesota Rules, parts 9549.0050

152.1 to 9549.0059, to which elderly waiver service clients are assigned. When there are
152.2 fewer than 50 authorizations in effect in the case mix resident class, the commissioner
152.3 shall multiply the calculated service payment rate maximum for the A classification by
152.4 the standard weight for that classification under Minnesota Rules, parts 9549.0050 to
152.5 9549.0059, to determine the applicable payment rate maximum. ~~Service payment rate~~
152.6 ~~maximums shall be updated annually based on legislatively adopted changes to all service~~
152.7 ~~rates for home and community-based service providers.~~

152.8 (g) Notwithstanding the requirements of paragraphs (d) and (f), the commissioner
152.9 may establish alternative payment rate systems for 24-hour customized living services in
152.10 housing with services establishments which are freestanding buildings with a capacity of
152.11 16 or fewer, by applying a single hourly rate for covered component services provided
152.12 in either:

152.13 (1) licensed corporate adult foster homes; or

152.14 (2) specialized dementia care units which meet the requirements of section 144D.065
152.15 and in which:

152.16 (i) each resident is offered the option of having their own apartment; or

152.17 (ii) the units are licensed as board and lodge establishments with maximum capacity
152.18 of eight residents, and which meet the requirements of Minnesota Rules, part 9555.6205,
152.19 subparts 1, 2, 3, and 4, item A.

152.20 (h) Twenty-four-hour customized living services are delivered by a provider licensed
152.21 by the Department of Health as a class A or class F home care provider and provided in a
152.22 building that is registered as a housing with services establishment under chapter 144D.
152.23 Licensed home care providers are subject to section 256B.0651, subdivision 14.

152.24 (i) A provider may not bill or otherwise charge an elderly waiver participant or their
152.25 family for additional units of any allowable component service beyond those available
152.26 under the service rate limits described in paragraph (e), nor for additional units of any
152.27 allowable component service beyond those approved in the service plan by the lead agency.

152.28 (j) Effective July 1, 2016, and each July 1 thereafter, individualized service rate
152.29 limits for 24-hour customized living services under this subdivision shall be adjusted by
152.30 the greater of the difference between any legislatively adopted home and community-based
152.31 provider rate increase effective on July 1 and the average statewide percentage increase
152.32 in nursing facility operating payment rates under sections 256B.431, 256B.434, and
152.33 256B.441, effective the previous January 1.

152.34 **EFFECTIVE DATE.** This section is effective July 1, 2016.

152.35 Sec. 7. Minnesota Statutes 2014, section 256B.431, subdivision 2b, is amended to read:

153.1 Subd. 2b. **Operating costs after July 1, 1985.** (a) For rate years beginning on or
153.2 after July 1, 1985, the commissioner shall establish procedures for determining per diem
153.3 reimbursement for operating costs.

153.4 (b) The commissioner shall contract with an econometric firm with recognized
153.5 expertise in and access to national economic change indices that can be applied to the
153.6 appropriate cost categories when determining the operating cost payment rate.

153.7 (c) The commissioner shall analyze and evaluate each nursing facility's cost report
153.8 of allowable operating costs incurred by the nursing facility during the reporting year
153.9 immediately preceding the rate year for which the payment rate becomes effective.

153.10 (d) The commissioner shall establish limits on actual allowable historical operating
153.11 cost per diems based on cost reports of allowable operating costs for the reporting year
153.12 that begins October 1, 1983, taking into consideration relevant factors including resident
153.13 needs, geographic location, and size of the nursing facility. In developing the geographic
153.14 groups for purposes of reimbursement under this section, the commissioner shall ensure
153.15 that nursing facilities in any county contiguous to the Minneapolis-St. Paul seven-county
153.16 metropolitan area are included in the same geographic group. The limits established by
153.17 the commissioner shall not be less, in the aggregate, than the 60th percentile of total
153.18 actual allowable historical operating cost per diems for each group of nursing facilities
153.19 established under subdivision 1 based on cost reports of allowable operating costs in the
153.20 previous reporting year. For rate years beginning on or after July 1, 1989, facilities located
153.21 in geographic group I as described in Minnesota Rules, part 9549.0052, on January 1,
153.22 1989, may choose to have the commissioner apply either the care related limits or the
153.23 other operating cost limits calculated for facilities located in geographic group II, or
153.24 both, if either of the limits calculated for the group II facilities is higher. The efficiency
153.25 incentive for geographic group I nursing facilities must be calculated based on geographic
153.26 group I limits. The phase-in must be established utilizing the chosen limits. For purposes
153.27 of these exceptions to the geographic grouping requirements, the definitions in Minnesota
153.28 Rules, parts 9549.0050 to 9549.0059 (Emergency), and 9549.0010 to 9549.0080, apply.
153.29 The limits established under this paragraph remain in effect until the commissioner
153.30 establishes a new base period. Until the new base period is established, the commissioner
153.31 shall adjust the limits annually using the appropriate economic change indices established
153.32 in paragraph (e). In determining allowable historical operating cost per diems for purposes
153.33 of setting limits and nursing facility payment rates, the commissioner shall divide the
153.34 allowable historical operating costs by the actual number of resident days, except that
153.35 where a nursing facility is occupied at less than 90 percent of licensed capacity days, the
153.36 commissioner may establish procedures to adjust the computation of the per diem to

154.1 an imputed occupancy level at or below 90 percent. The commissioner shall establish
154.2 efficiency incentives as appropriate. The commissioner may establish efficiency incentives
154.3 for different operating cost categories. The commissioner shall consider establishing
154.4 efficiency incentives in care related cost categories. The commissioner may combine one
154.5 or more operating cost categories and may use different methods for calculating payment
154.6 rates for each operating cost category or combination of operating cost categories. For the
154.7 rate year beginning on July 1, 1985, the commissioner shall:

154.8 (1) allow nursing facilities that have an average length of stay of 180 days or less in
154.9 their skilled nursing level of care, 125 percent of the care related limit and 105 percent
154.10 of the other operating cost limit established by rule; and

154.11 (2) exempt nursing facilities licensed on July 1, 1983, by the commissioner to
154.12 provide residential services for the physically disabled under Minnesota Rules, parts
154.13 9570.2000 to 9570.3600, from the care related limits and allow 105 percent of the other
154.14 operating cost limit established by rule.

154.15 For the purpose of calculating the other operating cost efficiency incentive for
154.16 nursing facilities referred to in clause (1) or (2), the commissioner shall use the other
154.17 operating cost limit established by rule before application of the 105 percent.

154.18 (e) The commissioner shall establish a composite index or indices by determining
154.19 the appropriate economic change indicators to be applied to specific operating cost
154.20 categories or combination of operating cost categories.

154.21 (f) Each nursing facility shall receive an operating cost payment rate equal to the sum
154.22 of the nursing facility's operating cost payment rates for each operating cost category. The
154.23 operating cost payment rate for an operating cost category shall be the lesser of the nursing
154.24 facility's historical operating cost in the category increased by the appropriate index
154.25 established in paragraph (e) for the operating cost category plus an efficiency incentive
154.26 established pursuant to paragraph (d) or the limit for the operating cost category increased
154.27 by the same index. If a nursing facility's actual historic operating costs are greater than the
154.28 prospective payment rate for that rate year, there shall be no retroactive cost settle up. In
154.29 establishing payment rates for one or more operating cost categories, the commissioner may
154.30 establish separate rates for different classes of residents based on their relative care needs.

154.31 (g) The commissioner shall include the reported actual real estate tax liability or
154.32 payments in lieu of real estate tax of each nursing facility as an operating cost of that
154.33 nursing facility. Allowable costs under this subdivision for payments made by a nonprofit
154.34 nursing facility that are in lieu of real estate taxes shall not exceed the amount which the
154.35 nursing facility would have paid to a city or township and county for fire, police, sanitation
154.36 services, and road maintenance costs had real estate taxes been levied on that property

155.1 for those purposes. For rate years beginning on or after July 1, 1987, the reported actual
155.2 real estate tax liability or payments in lieu of real estate tax of nursing facilities shall be
155.3 adjusted to include an amount equal to one-half of the dollar change in real estate taxes
155.4 from the prior year. The commissioner shall include a reported actual special assessment,
155.5 and reported actual license fees required by the Minnesota Department of Health, for each
155.6 nursing facility as an operating cost of that nursing facility. For rate years beginning
155.7 on or after July 1, 1989, the commissioner shall include a nursing facility's reported
155.8 Public Employee Retirement Act contribution for the reporting year as apportioned to the
155.9 care-related operating cost categories and other operating cost categories multiplied by
155.10 the appropriate composite index or indices established pursuant to paragraph (e) as costs
155.11 under this paragraph. Total adjusted real estate tax liability, payments in lieu of real
155.12 estate tax, actual special assessments paid, the indexed Public Employee Retirement Act
155.13 contribution, and license fees paid as required by the Minnesota Department of Health,
155.14 for each nursing facility (1) shall be divided by actual resident days in order to compute
155.15 the operating cost payment rate for this operating cost category, (2) shall not be used to
155.16 compute the care-related operating cost limits or other operating cost limits established
155.17 by the commissioner, and (3) shall not be increased by the composite index or indices
155.18 established pursuant to paragraph (e), unless otherwise indicated in this paragraph.

155.19 ~~(h) For rate years beginning on or after July 1, 1987, the commissioner shall adjust~~
155.20 ~~the rates of a nursing facility that meets the criteria for the special dietary needs of its~~
155.21 ~~residents and the requirements in section 31.651. The adjustment for raw food cost shall~~
155.22 ~~be the difference between the nursing facility's allowable historical raw food cost per~~
155.23 ~~diem and 115 percent of the median historical allowable raw food cost per diem of the~~
155.24 ~~corresponding geographic group.~~

155.25 ~~The rate adjustment shall be reduced by the applicable phase-in percentage as~~
155.26 ~~provided under subdivision 2h.~~

155.27 Sec. 8. Minnesota Statutes 2014, section 256B.431, subdivision 36, is amended to read:

155.28 Subd. 36. **Employee scholarship costs and training in English as a second**
155.29 **language.** (a) For the period between July 1, 2001, and June 30, 2003, the commissioner
155.30 shall provide to each nursing facility reimbursed under this section, section 256B.434, or
155.31 any other section, a scholarship per diem of 25 cents to the total operating payment rate.
155.32 For the two rate years beginning on or after October 1, 2015, through September 30, 2017,
155.33 the commissioner shall allow a scholarship per diem of up to 25 cents for each nursing
155.34 facility with no scholarship per diem that is requesting a scholarship per diem to be added
155.35 to the external fixed payment rate to be used:

156.1 (1) for employee scholarships that satisfy the following requirements:

156.2 (i) scholarships are available to all employees who work an average of at least 20
156.3 ten hours per week at the facility except the administrator, department supervisors, and
156.4 registered nurses and to reimburse student loan expenses for newly hired and recently
156.5 graduated registered nurses and licensed practical nurses, and training expenses for
156.6 nursing assistants as defined in section 144A.61, subdivision 2, who are newly hired and
156.7 have graduated within the last 12 months; and

156.8 (ii) the course of study is expected to lead to career advancement with the facility or
156.9 in long-term care, including medical care interpreter services and social work; and

156.10 (2) to provide job-related training in English as a second language.

156.11 (b) ~~A facility receiving~~ All facilities may annually request a rate adjustment under
156.12 ~~this subdivision may submit~~ by submitting information to the commissioner on a schedule
156.13 ~~determined by the commissioner and on~~ in a form supplied by the commissioner a
156.14 ~~calculation of the scholarship per diem, including: the amount received from this rate~~
156.15 ~~adjustment; the amount used for training in English as a second language; the number of~~
156.16 ~~persons receiving the training; the name of the person or entity providing the training;~~
156.17 ~~and for each scholarship recipient, the name of the recipient, the amount awarded, the~~
156.18 ~~educational institution attended, the nature of the educational program, the program~~
156.19 ~~completion date, and a determination of the per diem amount of these costs based on~~
156.20 ~~actual resident days.~~ The commissioner shall allow a scholarship payment rate equal to
156.21 the reported and allowable costs divided by resident days.

156.22 (c) ~~On July 1, 2003, the commissioner shall remove the 25-cent scholarship per diem~~
156.23 ~~from the total operating payment rate of each facility.~~

156.24 (d) ~~For rate years beginning after June 30, 2003, the commissioner shall provide to~~
156.25 ~~each facility the scholarship per diem determined in paragraph (b).~~ In calculating the per
156.26 diem under paragraph (b), the commissioner shall allow ~~only~~ costs related to tuition and,
156.27 direct educational expenses, and reasonable costs as defined by the commissioner for child
156.28 care costs and transportation expenses related to direct educational expenses.

156.29 (d) The rate increase under this subdivision is an optional rate add-on that the facility
156.30 must request from the commissioner in a manner prescribed by the commissioner. The
156.31 rate increase must be used for scholarships as specified in this subdivision.

156.32 (e) Nursing facilities that close beds during a rate year may request to have their
156.33 scholarship adjustment under paragraph (b) recalculated by the commissioner for the
156.34 remainder of the rate year to reflect the reduction in resident days compared to the cost
156.35 report year.

157.1 Sec. 9. Minnesota Statutes 2014, section 256B.434, subdivision 4, is amended to read:

157.2 Subd. 4. **Alternate rates for nursing facilities.** ~~(a) For nursing facilities which~~
157.3 ~~have their payment rates determined under this section rather than section 256B.431, the~~
157.4 ~~commissioner shall establish a rate under this subdivision. The nursing facility must enter~~
157.5 ~~into a written contract with the commissioner.~~

157.6 ~~(b) A nursing facility's case mix payment rate for the first rate year of a facility's~~
157.7 ~~contract under this section is the payment rate the facility would have received under~~
157.8 ~~section 256B.431.~~

157.9 ~~(c) A nursing facility's case mix payment rates for the second and subsequent years~~
157.10 ~~of a facility's contract under this section are the previous rate year's contract payment rates~~
157.11 ~~plus an inflation adjustment and, for facilities reimbursed under this section or section~~
157.12 ~~256B.431, an adjustment to include the cost of any increase in Health Department licensing~~
157.13 ~~fees for the facility taking effect on or after July 1, 2001. The index for the inflation~~
157.14 ~~adjustment must be based on the change in the Consumer Price Index-All Items (United~~
157.15 ~~States City average) (CPI-U) forecasted by the commissioner of management and budget's~~
157.16 ~~national economic consultant, as forecasted in the fourth quarter of the calendar year~~
157.17 ~~preceding the rate year. The inflation adjustment must be based on the 12-month period~~
157.18 ~~from the midpoint of the previous rate year to the midpoint of the rate year for which the~~
157.19 ~~rate is being determined. For the rate years beginning on July 1, 1999, July 1, 2000, July~~
157.20 ~~1, 2001, July 1, 2002, July 1, 2003, July 1, 2004, July 1, 2005, July 1, 2006, July 1, 2007,~~
157.21 ~~July 1, 2008, October 1, 2009, and October 1, 2010, this paragraph shall apply only to the~~
157.22 ~~property-related payment rate. For the rate years beginning on October 1, 2011, October 1,~~
157.23 ~~2012, October 1, 2013, October 1, 2014, October 1, 2015, and October January 1, 2016, and~~
157.24 ~~January 1, 2017, the rate adjustment under this paragraph shall be suspended. Beginning~~
157.25 ~~in 2005, adjustment to the property payment rate under this section and section 256B.431~~
157.26 ~~shall be effective on October 1. In determining the amount of the property-related payment~~
157.27 ~~rate adjustment under this paragraph, the commissioner shall determine the proportion of~~
157.28 ~~the facility's rates that are property-related based on the facility's most recent cost report.~~

157.29 ~~(d) The commissioner shall develop additional incentive-based payments of up to~~
157.30 ~~five percent above a facility's operating payment rate for achieving outcomes specified~~
157.31 ~~in a contract. The commissioner may solicit contract amendments and implement those~~
157.32 ~~which, on a competitive basis, best meet the state's policy objectives. The commissioner~~
157.33 ~~shall limit the amount of any incentive payment and the number of contract amendments~~
157.34 ~~under this paragraph to operate the incentive payments within funds appropriated for this~~
157.35 ~~purpose. The contract amendments may specify various levels of payment for various~~
157.36 ~~levels of performance. Incentive payments to facilities under this paragraph may be in the~~

158.1 ~~form of time-limited rate adjustments or onetime supplemental payments. In establishing~~
158.2 ~~the specified outcomes and related criteria, the commissioner shall consider the following~~
158.3 ~~state policy objectives:~~

158.4 ~~(1) successful diversion or discharge of residents to the residents' prior home or other~~
158.5 ~~community-based alternatives;~~

158.6 ~~(2) adoption of new technology to improve quality or efficiency;~~

158.7 ~~(3) improved quality as measured in the Nursing Home Report Card;~~

158.8 ~~(4) reduced acute care costs; and~~

158.9 ~~(5) any additional outcomes proposed by a nursing facility that the commissioner~~
158.10 ~~finds desirable.~~

158.11 ~~(e) Notwithstanding the threshold in section 256B.431, subdivision 16, facilities that~~
158.12 ~~take action to come into compliance with existing or pending requirements of the life~~
158.13 ~~safety code provisions or federal regulations governing sprinkler systems must receive~~
158.14 ~~reimbursement for the costs associated with compliance if all of the following conditions~~
158.15 ~~are met:~~

158.16 ~~(1) the expenses associated with compliance occurred on or after January 1, 2005,~~
158.17 ~~and before December 31, 2008;~~

158.18 ~~(2) the costs were not otherwise reimbursed under subdivision 4f or section~~
158.19 ~~144A.071 or 144A.073; and~~

158.20 ~~(3) the total allowable costs reported under this paragraph are less than the minimum~~
158.21 ~~threshold established under section 256B.431, subdivision 15, paragraph (c), and~~
158.22 ~~subdivision 16.~~

158.23 ~~The commissioner shall use money appropriated for this purpose to provide to qualifying~~
158.24 ~~nursing facilities a rate adjustment beginning October 1, 2007, and ending September 30,~~
158.25 ~~2008. Nursing facilities that have spent money or anticipate the need to spend money~~
158.26 ~~to satisfy the most recent life safety code requirements by (1) installing a sprinkler~~
158.27 ~~system or (2) replacing all or portions of an existing sprinkler system may submit to the~~
158.28 ~~commissioner by June 30, 2007, on a form provided by the commissioner the actual~~
158.29 ~~costs of a completed project or the estimated costs, based on a project bid, of a planned~~
158.30 ~~project. The commissioner shall calculate a rate adjustment equal to the allowable~~
158.31 ~~costs of the project divided by the resident days reported for the report year ending~~
158.32 ~~September 30, 2006. If the costs from all projects exceed the appropriation for this~~
158.33 ~~purpose, the commissioner shall allocate the money appropriated on a pro rata basis to the~~
158.34 ~~qualifying facilities by reducing the rate adjustment determined for each facility by an~~
158.35 ~~equal percentage. Facilities that used estimated costs when requesting the rate adjustment~~
158.36 ~~shall report to the commissioner by January 31, 2009, on the use of this money on a~~

159.1 ~~form provided by the commissioner. If the nursing facility fails to provide the report, the~~
159.2 ~~commissioner shall recoup the money paid to the facility for this purpose. If the facility~~
159.3 ~~reports expenditures allowable under this subdivision that are less than the amount received~~
159.4 ~~in the facility's annualized rate adjustment, the commissioner shall recoup the difference.~~

159.5 Sec. 10. Minnesota Statutes 2014, section 256B.434, is amended by adding a
159.6 subdivision to read:

159.7 Subd. 4i. **Construction project rate adjustments for certain nursing facilities.**

159.8 (a) This subdivision applies to nursing facilities with at least 120 active beds as of January
159.9 1, 2015, that have projects approved in 2015 under the nursing facility moratorium
159.10 exception process in section 144A.073. When each facility's moratorium exception
159.11 construction project is completed, the facility must receive the rate adjustment allowed
159.12 under subdivision 4f. In addition to that rate adjustment, facilities with at least 120
159.13 active beds, but not more than 149 active beds, as of January 1, 2015, must have their
159.14 construction project rate adjustment increased by an additional \$4; and facilities with at
159.15 least 150 active beds, but not more than 160 active beds, as of January 1, 2015, must have
159.16 their construction project rate adjustment increased by an additional \$12.50.

159.17 (b) Notwithstanding any other law to the contrary, money available under section
159.18 144A.073, subdivision 11, after the completion of the moratorium exception approval
159.19 process in 2015 under section 144A.073, subdivision 3, shall be used to reduce the fiscal
159.20 impact to the medical assistance budget for the increases allowed in this subdivision.

159.21 Sec. 11. Minnesota Statutes 2014, section 256B.441, subdivision 1, is amended to read:

159.22 Subdivision 1. **Rebasing Calculation of nursing facility operating payment**

159.23 **rates.** ~~(a) The commissioner shall rebase nursing facility operating payment rates to align~~
159.24 ~~payments to facilities with the cost of providing care. The rebased calculate operating~~
159.25 ~~payment rates shall be calculated using the statistical and cost report filed by each nursing~~
159.26 ~~facility for the report period ending one year prior to the rate year.~~

159.27 ~~(b) The new operating payment rates based on this section shall take effect beginning~~
159.28 ~~with the rate year beginning October 1, 2008, and shall be phased in over eight rate years~~
159.29 ~~through October 1, 2015. For each year of the phase-in, the operating payment rates shall~~
159.30 ~~be calculated using the statistical and cost report filed by each nursing facility for the~~
159.31 ~~report period ending one year prior to the rate year January 1, 2016.~~

159.32 ~~(c) Operating payment rates shall be rebased on October 1, 2016, and every two~~
159.33 ~~years after that date.~~

160.1 ~~(d)~~ (c) Each cost reporting year shall begin on October 1 and end on the following
160.2 September 30. ~~Beginning in 2014,~~ A statistical and cost report shall be filed by each
160.3 nursing facility by February 1 in a form and manner specified by the commissioner.
160.4 Notice of rates shall be distributed by ~~August~~ November 15 and the rates shall go into
160.5 effect on ~~October~~ January 1 for one year.

160.6 ~~(e) Effective October 1, 2014, property rates shall be rebased in accordance with~~
160.7 ~~section 256B.431 and Minnesota Rules, chapter 9549. The commissioner shall determine~~
160.8 ~~what the property payment rate for a nursing facility would be had the facility not had its~~
160.9 ~~property rate determined under section 256B.434. The commissioner shall allow nursing~~
160.10 ~~facilities to provide information affecting this rate determination that would have been~~
160.11 ~~filed annually under Minnesota Rules, chapter 9549, and nursing facilities shall report~~
160.12 ~~information necessary to determine allowable debt. The commissioner shall use this~~
160.13 ~~information to determine the property payment rate.~~

160.14 Sec. 12. Minnesota Statutes 2014, section 256B.441, subdivision 5, is amended to read:

160.15 Subd. 5. **Administrative costs.** "Administrative costs" means the direct costs for
160.16 administering the overall activities of the nursing home. These costs include salaries and
160.17 wages of the administrator, assistant administrator, business office employees, security
160.18 guards, and associated fringe benefits and payroll taxes, fees, contracts, or purchases
160.19 related to business office functions, licenses, and permits except as provided in the
160.20 external fixed costs category, employee recognition, travel including meals and lodging,
160.21 all training except as specified in subdivision 11, voice and data communication or
160.22 transmission, office supplies, property and liability insurance and other forms of insurance
160.23 not designated to other areas, personnel recruitment, legal services, accounting services,
160.24 management or business consultants, data processing, information technology, Web
160.25 site, central or home office costs, business meetings and seminars, postage, fees for
160.26 professional organizations, subscriptions, security services, advertising, board of director's
160.27 fees, working capital interest expense, and bad debts and bad debt collection fees.

160.28 Sec. 13. Minnesota Statutes 2014, section 256B.441, subdivision 6, is amended to read:

160.29 Subd. 6. **Allowed costs.** (a) "Allowed costs" means the amounts reported by the
160.30 facility which are necessary for the operation of the facility and the care of residents
160.31 and which are reviewed by the department for accuracy; reasonableness, in accordance
160.32 with the requirements set forth in title XVIII of the federal Social Security Act and the
160.33 interpretations in the provider reimbursement manual; and compliance with this section

161.1 and generally accepted accounting principles. All references to costs in this section shall
161.2 be assumed to refer to allowed costs.

161.3 (b) For facilities where employees are represented by collective bargaining agents,
161.4 costs related to the salaries and wages, payroll taxes, and employer's share of fringe benefit
161.5 costs, except employer health insurance costs, for facility employees who are members of
161.6 the bargaining unit are allowed costs only if:

161.7 (1) these costs are incurred pursuant to a collective bargaining agreement. The
161.8 commissioner shall allow until March 1 following the date on which the cost report was
161.9 required to be submitted for a collective bargaining agent to notify the commissioner if
161.10 a collective bargaining agreement, effective on the last day of the cost reporting year,
161.11 was in effect; or

161.12 (2) the collective bargaining agent notifies the commissioner by October 1 following
161.13 the date on which the cost report was required to be submitted that these costs are
161.14 incurred pursuant to an agreement or understanding between the facility and the collective
161.15 bargaining agent.

161.16 (c) In any year when a portion of a facility's reported costs are not allowed costs
161.17 under paragraph (b), when calculating the operating payment rate for the facility, the
161.18 commissioner shall use the facility's allowed costs from the facility's second most recent
161.19 cost report in place of the nonallowed costs. For the purpose of setting the price for other
161.20 operating costs under subdivision 51, the price shall be reduced by the difference between
161.21 the nonallowed costs and the allowed costs from the facility's second most recent cost
161.22 report.

161.23 Sec. 14. Minnesota Statutes 2014, section 256B.441, is amended by adding a
161.24 subdivision to read:

161.25 Subd. 11a. **Employer health insurance costs.** "Employer health insurance costs"
161.26 means premium expenses for group coverage and reinsurance, actual expenses incurred
161.27 for self-insured plans, and employer contributions to employee health reimbursement and
161.28 health savings accounts. Premium and expense costs and contributions are allowable for
161.29 employees who meet the definition of full-time employees and their families under the
161.30 federal Affordable Care Act, Public Law 111-148, and part-time employees.

161.31 Sec. 15. Minnesota Statutes 2014, section 256B.441, subdivision 13, is amended to read:

161.32 Subd. 13. **External fixed costs.** "External fixed costs" means costs related to the
161.33 nursing home surcharge under section 256.9657, subdivision 1; licensure fees under
161.34 section 144.122; ~~until September 30, 2013, long-term care consultation fees under~~

162.1 ~~section 256B.0911, subdivision 6;~~ family advisory council fee under section 144A.33;
 162.2 scholarships under section 256B.431, subdivision 36; planned closure rate adjustments
 162.3 under section 256B.437; ~~or~~ single bed room incentives under section 256B.431,
 162.4 subdivision 42; property taxes ~~and property insurance~~, assessments, and payments in
 162.5 lieu of taxes; employer health insurance costs; quality improvement incentive payment
 162.6 rate adjustments under subdivision 46c; performance-based incentive payments under
 162.7 subdivision 46d; special dietary needs under subdivision 51b; and PERA.

162.8 Sec. 16. Minnesota Statutes 2014, section 256B.441, subdivision 14, is amended to read:

162.9 Subd. 14. **Facility average case mix index.** "Facility average case mix index"
 162.10 or "CMI" means a numerical value score that describes the relative resource use for
 162.11 all residents within the groups under the resource utilization group (~~RUG-III~~) (RUG)
 162.12 classification system prescribed by the commissioner based on an assessment of each
 162.13 resident. The facility average CMI shall be computed as the standardized days divided by
 162.14 total days for all residents in the facility. The RUG's weights used ~~in this section shall be~~
 162.15 ~~as follows for each RUG's class:~~ ~~SE3 1.605; SE2 1.247; SE1 1.081; RAD 1.509; RAC~~
 162.16 ~~1.259; RAB 1.109; RAA 0.957; SSC 1.453; SSB 1.224; SSA 1.047; CC2 1.292; CC1~~
 162.17 ~~1.200; CB2 1.086; CB1 1.017; CA2 0.908; CA1 0.834; IB2 0.877; IB1 0.817; IA2 0.720;~~
 162.18 ~~IA1 0.676; BB2 0.956; BB1 0.885; BA2 0.716; BA1 0.673; PE2 1.199; PE1 1.104; PD2~~
 162.19 ~~1.023; PD1 0.948; PC2 0.926; PC1 0.860; PB2 0.786; PB1 0.734; PA2 0.691; PA1 0.651;~~
 162.20 ~~BC1 0.651; and DDF 1.000~~ shall be based on the system prescribed in section 256B.438.

162.21 Sec. 17. Minnesota Statutes 2014, section 256B.441, subdivision 17, is amended to read:

162.22 Subd. 17. **Fringe benefit costs.** "Fringe benefit costs" means the costs for group life,
 162.23 ~~health~~, dental, workers' compensation, and other employee insurances and pension, except
 162.24 for the Public Employees Retirement Association and employer health insurance costs;
 162.25 profit sharing; and retirement plans for which the employer pays all or a portion of the costs.

162.26 Sec. 18. Minnesota Statutes 2014, section 256B.441, subdivision 30, is amended to read:

162.27 Subd. 30. **Peer groups** Median total care-related cost per diem and other
 162.28 operating per diem determined. Facilities shall be classified into three groups by county.
 162.29 The groups shall consist of:

162.30 (1) group one: facilities in ~~Anoka, Benton, Carlton, Carver, Chisago, Dakota,~~
 162.31 ~~Dodge, Goodhue, Hennepin, Isanti, Mille Lacs, Morrison, Olmsted, Ramsey, Rice, Scott,~~
 162.32 ~~Sherburne, St. Louis, Stearns, Steele, Wabasha, Washington, Winona, or Wright County;~~

163.1 ~~(2) group two: facilities in Aitkin, Beltrami, Blue Earth, Brown, Cass, Clay,~~
163.2 ~~Cook, Crow Wing, Faribault, Fillmore, Freeborn, Houston, Hubbard, Itasea, Kanabee,~~
163.3 ~~Koochiching, Lake, Lake of the Woods, Le Sueur, Martin, McLeod, Meeker, Mower,~~
163.4 ~~Nicollet, Norman, Pine, Roseau, Sibley, Todd, Wadena, Waseca, Watonwan, or Wilkin~~
163.5 ~~County; and~~

163.6 ~~(3) group three: facilities in all other counties~~ (a) The commissioner shall determine
163.7 the median total care-related per diem to be used in subdivision 50 and the median other
163.8 operating per diem to be used in subdivision 51 using the cost reports from nursing
163.9 facilities in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties.

163.10 (b) The median total care-related per diem shall be equal to the median direct care
163.11 cost for a RUG's weight of 1.00 for facilities located in the counties listed in paragraph (a).

163.12 (c) The median other operating per diem shall be equal to the median other
163.13 operating per diem for facilities located in the counties listed in paragraph (a). The other
163.14 operating per diem shall be the sum of each facility's administrative costs, dietary costs,
163.15 housekeeping costs, laundry costs, and maintenance and plant operations costs divided
163.16 by each facility's resident days.

163.17 Sec. 19. Minnesota Statutes 2014, section 256B.441, subdivision 31, is amended to read:

163.18 Subd. 31. **Prior system operating cost payment rate.** "Prior system operating
163.19 cost payment rate" means the operating cost payment rate in effect on ~~September 30,~~
163.20 ~~2008~~ December 31, 2015, under Minnesota Rules and Minnesota Statutes, ~~not including~~
163.21 ~~planned closure rate adjustments under section 256B.437 or single bed room incentives~~
163.22 ~~under section 256B.431, subdivision 42.~~

163.23 Sec. 20. Minnesota Statutes 2014, section 256B.441, subdivision 33, is amended to read:

163.24 Subd. 33. **Rate year.** "Rate year" means the 12-month period beginning on ~~October~~
163.25 January 1 following the second most recent reporting year.

163.26 Sec. 21. Minnesota Statutes 2014, section 256B.441, subdivision 35, is amended to read:

163.27 Subd. 35. **Reporting period.** "Reporting period" means the one-year period
163.28 beginning on October 1 and ending on the following September 30 during which incurred
163.29 costs are accumulated and then reported on the statistical and cost report. If a facility is
163.30 reporting for an interim or settle-up period, the reporting period beginning date may be a
163.31 date other than October 1. An interim or settle-up report must cover at least five months,
163.32 but no more than 17 months, and must always end on September 30.

164.1 Sec. 22. Minnesota Statutes 2014, section 256B.441, subdivision 40, is amended to read:

164.2 Subd. 40. **Standardized days.** "Standardized days" means the sum of resident days
164.3 by case mix category multiplied by the RUG index for each category. When a facility has
164.4 resident days at a penalty classification, these days shall be reported as resident days at the
164.5 RUG class established immediately after the penalty period, if available, and otherwise, at
164.6 the RUG class in effect before the penalty began.

164.7 Sec. 23. Minnesota Statutes 2014, section 256B.441, subdivision 44, is amended to read:

164.8 Subd. 44. **Calculation of a quality score.** (a) The commissioner shall determine
164.9 a quality score for each nursing facility using quality measures established in section
164.10 256B.439, according to methods determined by the commissioner in consultation with
164.11 stakeholders and experts, and using data as provided in the Minnesota Nursing Home
164.12 Report Card. These methods shall be exempt from the rulemaking requirements under
164.13 chapter 14.

164.14 (b) For each quality measure, a score shall be determined with ~~a maximum~~ the number
164.15 ~~of points available and number of points~~ assigned as determined by the commissioner
164.16 using the methodology established according to this subdivision. ~~The scores determined~~
164.17 ~~for all quality measures shall be totaled.~~ The determination of the quality measures to be
164.18 used and the methods of calculating scores may be revised annually by the commissioner.

164.19 (c) ~~For the initial rate year under the new payment system, the quality measures~~
164.20 ~~shall include:~~

164.21 ~~(1) staff turnover;~~

164.22 ~~(2) staff retention;~~

164.23 ~~(3) use of pool staff;~~

164.24 ~~(4) quality indicators from the minimum data set; and~~

164.25 ~~(5) survey deficiencies.~~

164.26 (d) ~~Beginning July 1, 2013~~ January 1, 2016, the quality score shall be ~~a value~~
164.27 ~~between zero and 100, using data as provided in the Minnesota nursing home report~~
164.28 ~~card, with~~ include up to 50 percent derived from points related to the Minnesota quality
164.29 indicators score, up to 40 percent derived from points related to the resident quality of life
164.30 score, and up to ten percent derived from points related to the state inspection results score.

164.31 (e) ~~(d)~~ The commissioner, in cooperation with the commissioner of health, may
164.32 adjust the formula in paragraph ~~(d)~~ (c), or the methodology for computing the total quality
164.33 score, effective July 1 of any year beginning in ~~2014~~ 2017, with five months advance
164.34 public notice. In changing the formula, the commissioner shall consider quality measure
164.35 priorities registered by report card users, advice of stakeholders, and available research.

165.1 Sec. 24. Minnesota Statutes 2014, section 256B.441, subdivision 46c, is amended to
165.2 read:

165.3 Subd. 46c. **Quality improvement incentive system beginning October 1, 2015.**

165.4 The commissioner shall develop a quality improvement incentive program in consultation
165.5 with stakeholders. The annual funding pool available for quality improvement incentive
165.6 payments shall be equal to 0.8 percent of all operating payments, not including any rate
165.7 components resulting from equitable cost-sharing for publicly owned nursing facility
165.8 program participation under subdivision 55a, critical access nursing facility program
165.9 participation under subdivision 63, or performance-based incentive payment program
165.10 participation under section 256B.434, subdivision 4, paragraph (d). For the period from
165.11 October 1, 2015, to December 31, 2016, rate adjustments provided under this subdivision
165.12 shall be effective for 15 months. ~~Beginning October 1, 2015~~ January 1, 2017, annual
165.13 rate adjustments provided under this subdivision shall be effective for one year, starting
165.14 ~~October~~ January 1 and ending the following ~~September 30~~ December 31. The increase in
165.15 this subdivision shall be included in the external fixed payment rate under subdivisions
165.16 13 and 53.

165.17 Sec. 25. Minnesota Statutes 2014, section 256B.441, is amended by adding a
165.18 subdivision to read:

165.19 Subd. 46d. **Performance-based incentive payments.** The commissioner shall
165.20 develop additional incentive-based payments of up to five percent above a facility's
165.21 operating payment rate for achieving outcomes specified in a contract. The commissioner
165.22 may solicit proposals and select those which, on a competitive basis, best meet the state's
165.23 policy objectives. The commissioner shall limit the amount of any incentive payment
165.24 and the number of contract amendments under this subdivision to operate the incentive
165.25 payments within funds appropriated for this purpose. The commissioner shall approve
165.26 proposals through a memorandum of understanding which shall specify various levels of
165.27 payment for various levels of performance. Incentive payments to facilities under this
165.28 subdivision shall be in the form of time-limited rate adjustments which shall be included
165.29 in the external fixed payment rate under subdivisions 13 and 53. In establishing the
165.30 specified outcomes and related criteria, the commissioner shall consider the following
165.31 state policy objectives:

165.32 (1) successful diversion or discharge of residents to the residents' prior home or other
165.33 community-based alternatives;

165.34 (2) adoption of new technology to improve quality or efficiency;

165.35 (3) improved quality as measured in the Minnesota Nursing Home Report Card;

166.1 (4) reduced acute care costs; and

166.2 (5) any additional outcomes proposed by a nursing facility that the commissioner
166.3 finds desirable.

166.4 Sec. 26. Minnesota Statutes 2014, section 256B.441, subdivision 48, is amended to read:

166.5 Subd. 48. **Calculation of operating care-related per diems.** The direct care per
166.6 diem for each facility shall be the facility's direct care costs divided by its standardized
166.7 days. The other care-related per diem shall be the sum of the facility's activities costs,
166.8 other direct care costs, raw food costs, therapy costs, and social services costs, divided by
166.9 the facility's resident days. ~~The other operating per diem shall be the sum of the facility's~~
166.10 ~~administrative costs, dietary costs, housekeeping costs, laundry costs, and maintenance~~
166.11 ~~and plant operations costs divided by the facility's resident days.~~

166.12 Sec. 27. Minnesota Statutes 2014, section 256B.441, subdivision 50, is amended to read:

166.13 Subd. 50. **Determination of total care-related limit.** (a) ~~The limit on the median~~
166.14 ~~total care-related per diem shall be determined for each peer group and facility type group~~
166.15 ~~combination. A facility's total care-related per diems shall be limited to 120 percent of the~~
166.16 ~~median for the facility's peer and facility type group. The facility-specific direct care costs~~
166.17 ~~used in making this comparison and in the calculation of the median shall be based on a~~
166.18 ~~RUG's weight of 1.00. A facility that is above that limit shall have its total care-related per~~
166.19 ~~diem reduced to the limit. If a reduction of the total care-related per diem is necessary~~
166.20 ~~because of this limit, the reduction shall be made proportionally to both the direct care per~~
166.21 ~~diem and the other care-related per diem according to subdivision 30.~~

166.22 (b) ~~Beginning with rates determined for October 1, 2016, the~~ A facility's total
166.23 care-related limit shall be a variable amount based on each facility's quality score, as
166.24 determined under subdivision 44, in accordance with clauses (1) to ~~(4)~~ (3):

166.25 (1) ~~for each facility, the commissioner shall determine the quality score, subtract 40,~~
166.26 ~~divide by 40, and convert to a percentage~~ the quality score shall be multiplied by 0.5625;

166.27 (2) ~~if the value determined in clause (1) is less than zero, the total care-related limit~~
166.28 ~~shall be 105 percent of the median for the facility's peer and facility type group~~ add 89.375
166.29 to the amount determined in clause (1), and divide the total by 100; and

166.30 (3) ~~if the value determined in clause (1) is greater than 100 percent, the total~~
166.31 ~~care-related limit shall be 125 percent of the median for the facility's peer and facility type~~
166.32 ~~group; and~~ multiply the amount determined in clause (2) by the median total care-related
166.33 per diem determined in subdivision 30, paragraph (b).

167.1 ~~(4) if the value determined in clause (1) is greater than zero and less than 100~~
167.2 ~~percent, the total care-related limit shall be 105 percent of the median for the facility's peer~~
167.3 ~~and facility type group plus one-fifth of the percentage determined in clause (1).~~

167.4 (c) A RUG's weight of 1.00 shall be used in the calculation of the median total
167.5 care-related per diem, and in comparisons of facility-specific direct care costs to the median.

167.6 (d) A facility that is above its total care-related limit as determined according to
167.7 paragraph (b) shall have its total care-related per diem reduced to its limit. If a reduction
167.8 of the total care-related per diem is necessary due to this limit, the reduction shall be made
167.9 proportionally to both the direct care per diem and the other care-related per diem.

167.10 Sec. 28. Minnesota Statutes 2014, section 256B.441, subdivision 51, is amended to read:

167.11 Subd. 51. **Determination of other operating limit price.** ~~The limit on the A price~~
167.12 ~~for other operating per diem costs shall be determined for each peer group. A facility's~~
167.13 ~~other operating per diem shall be limited to~~ The price shall be calculated as 105 percent
167.14 of the median for its peer group other operating per diem described in subdivision 30,
167.15 paragraph (c). A facility that is above that limit shall have its other operating per diem
167.16 reduced to the limit.

167.17 Sec. 29. Minnesota Statutes 2014, section 256B.441, subdivision 51a, is amended to
167.18 read:

167.19 Subd. 51a. **Exception allowing contracting for specialized care facilities.** (a)
167.20 For rate years beginning on or after ~~October~~ January 1, 2016, ~~the commissioner may~~
167.21 ~~negotiate increases to the care-related limit for nursing facilities that provide specialized~~
167.22 ~~care, at a cost to the general fund not to exceed \$600,000 per year. The commissioner~~
167.23 ~~shall publish a request for proposals annually, and may negotiate increases to the limits~~
167.24 ~~that shall apply for either one or two years before the increase shall be subject to a new~~
167.25 ~~proposal and negotiation.~~ the care-related limit may for specialized care facilities shall
167.26 be increased by up to 50 percent.

167.27 (b) ~~In selecting facilities with which to negotiate, the commissioner shall consider:~~
167.28 "Specialized care facilities" are defined as a facility having a program licensed under
167.29 chapter 245A and Minnesota Rules, chapter 9570, or a facility with 96 beds on January 1,
167.30 2015, located in Robbinsdale that specializes in the treatment of Huntington's Disease.

167.31 ~~(1) the diagnoses or other circumstances of residents in the specialized program that~~
167.32 ~~require care that costs substantially more than the RUG's rates associated with those~~
167.33 ~~residents;~~

168.1 ~~(2) the nature of the specialized program or programs offered to meet the needs~~
168.2 ~~of these individuals; and~~
168.3 ~~(3) outcomes achieved by the specialized program.~~

168.4 Sec. 30. Minnesota Statutes 2014, section 256B.441, is amended by adding a
168.5 subdivision to read:

168.6 Subd. 51b. **Special dietary needs.** The commissioner shall adjust the rates of a
168.7 nursing facility that meets the criteria for the special dietary needs of its residents and the
168.8 requirements in section 31.651. The adjustment for raw food cost shall be the difference
168.9 between the nursing facility's most recently reported allowable raw food cost per diem and
168.10 115 percent of the median allowable raw food cost per diem. For rate years beginning
168.11 on or after January 1, 2016, this amount shall be removed from allowable raw food per
168.12 diem costs under operating costs and included in the external fixed per diem rate under
168.13 subdivisions 13 and 53.

168.14 Sec. 31. Minnesota Statutes 2014, section 256B.441, subdivision 53, is amended to read:

168.15 **Subd. 53. Calculation of payment rate for external fixed costs.** The commissioner
168.16 shall calculate a payment rate for external fixed costs.

168.17 (a) For a facility licensed as a nursing home, the portion related to section 256.9657
168.18 shall be equal to \$8.86. For a facility licensed as both a nursing home and a boarding care
168.19 home, the portion related to section 256.9657 shall be equal to \$8.86 multiplied by the
168.20 result of its number of nursing home beds divided by its total number of licensed beds.

168.21 (b) The portion related to the licensure fee under section 144.122, paragraph (d),
168.22 shall be the amount of the fee divided by actual resident days.

168.23 (c) The portion related to development and education of resident and family advisory
168.24 councils under section 144A.33 shall be \$5 divided by 365.

168.25 (d) The portion related to scholarships shall be determined under section 256B.431,
168.26 subdivision 36.

168.27 ~~(d) Until September 30, 2013, the portion related to long-term care consultation shall~~
168.28 ~~be determined according to section 256B.0911, subdivision 6.~~

168.29 ~~(e) The portion related to development and education of resident and family advisory~~
168.30 ~~councils under section 144A.33 shall be \$5 divided by 365.~~

168.31 ~~(f) (e) The portion related to planned closure rate adjustments shall be as determined~~
168.32 ~~under section 256B.437, subdivision 6, and Minnesota Statutes 2010, section 256B.436.~~
168.33 ~~Planned closure rate adjustments that take effect before October 1, 2014, shall no longer~~
168.34 ~~be included in the payment rate for external fixed costs beginning October 1, 2016.~~

169.1 ~~Planned closure rate adjustments that take effect on or after October 1, 2014, shall no~~
169.2 ~~longer be included in the payment rate for external fixed costs beginning on October 1 of~~
169.3 ~~the first year not less than two years after their effective date.~~

169.4 (f) The single bed room incentives shall be as determined under section 256B.431,
169.5 subdivision 42.

169.6 (g) The portions related to ~~property insurance~~, real estate taxes, special assessments,
169.7 and payments made in lieu of real estate taxes directly identified or allocated to the nursing
169.8 facility shall be the actual amounts divided by actual resident days.

169.9 (h) The portion related to employer health insurance costs shall be the allowable
169.10 costs divided by resident days.

169.11 (i) The portion related to the Public Employees Retirement Association shall be
169.12 actual costs divided by resident days.

169.13 ~~(i) The single bed room incentives shall be as determined under section 256B.431,~~
169.14 ~~subdivision 42. Single bed room incentives that take effect before October 1, 2014, shall~~
169.15 ~~no longer be included in the payment rate for external fixed costs beginning October 1,~~
169.16 ~~2016. Single bed room incentives that take effect on or after October 1, 2014, shall no~~
169.17 ~~longer be included in the payment rate for external fixed costs beginning on October 1 of~~
169.18 ~~the first year not less than two years after their effective date.~~

169.19 (j) The portion related to quality improvement incentive payment rate adjustments
169.20 shall be as determined under subdivision 46c.

169.21 (k) The portion related to performance-based incentive payments shall be as
169.22 determined under subdivision 46d.

169.23 (l) The portion related to special dietary needs shall be the per diem amount
169.24 determined under subdivision 51b.

169.25 ~~(j)~~ (m) The payment rate for external fixed costs shall be the sum of the amounts in
169.26 paragraphs (a) to ~~(j)~~ (l).

169.27 Sec. 32. Minnesota Statutes 2014, section 256B.441, subdivision 54, is amended to read:

169.28 Subd. 54. **Determination of total payment rates.** ~~In rate years when rates are~~
169.29 ~~rebased,~~ The total care-related per diem, other operating price, and external fixed per
169.30 diem for each facility shall be converted to payment rates. The total payment rate for
169.31 a RUG's weight of 1.00 shall be the sum of the total care-related payment rate, other
169.32 operating payment rate, ~~efficiency incentive~~, external fixed cost rate, and the property rate
169.33 determined under section 256B.434. To determine a total payment rate for each RUG's
169.34 level, the total care-related payment rate shall be divided into the direct care payment rate

170.1 and the other care-related payment rate, and the direct care payment rate multiplied by the
170.2 RUG's weight for each RUG's level ~~using the weights in subdivision 14.~~

170.3 Sec. 33. Minnesota Statutes 2014, section 256B.441, subdivision 55a, is amended to
170.4 read:

170.5 Subd. 55a. **Alternative to phase-in for publicly owned nursing facilities.** (a) For
170.6 operating payment rates implemented between October 1, 2011, and the day before the
170.7 ~~phase-in under subdivision 55 is complete~~ operating payment rates are determined under
170.8 this section, the commissioner shall allow nursing facilities whose physical plant is owned
170.9 or whose license is held by a city, county, or hospital district to apply for a higher payment
170.10 rate under this section if the local governmental entity agrees to pay a specified portion
170.11 of the nonfederal share of medical assistance costs. Nursing facilities that apply shall be
170.12 eligible to select an operating payment rate, with a weight of 1.00, up to the rate calculated
170.13 in subdivision 54, without application of the phase-in under subdivision 55. The rates for
170.14 the other RUGs shall be computed as provided under subdivision 54.

170.15 (b) For operating payment rates implemented beginning the day when the ~~phase-in~~
170.16 ~~under subdivision 55 is complete~~ operating payment rates are determined under this
170.17 section, the commissioner shall allow nursing facilities whose physical plant is owned or
170.18 whose license is held by a city, county, or hospital district to apply for a higher payment
170.19 rate under this section if the local governmental entity agrees to pay a specified portion of
170.20 the nonfederal share of medical assistance costs. Nursing facilities that apply are eligible
170.21 to select an operating payment rate with a weight of 1.00, up to an amount determined by
170.22 the commissioner to be allowable under the Medicare upper payment limit test. The rates
170.23 for the other RUGs shall be computed under subdivision 54. The rate increase allowed in
170.24 this paragraph shall take effect only upon federal approval.

170.25 (c) Rates determined under this subdivision shall take effect beginning October 1,
170.26 2011, based on cost reports for the reporting year ending September 30, 2010, and in
170.27 future rate years, rates determined for nursing facilities participating under this subdivision
170.28 shall take effect on October 1 of each year, based on the most recent available cost report.

170.29 (d) Eligible nursing facilities that wish to participate under this subdivision shall
170.30 make an application to the commissioner by August 31, 2011, or by June 30 of any
170.31 subsequent year.

170.32 (e) For each participating nursing facility, the public entity that owns the physical
170.33 plant or is the license holder of the nursing facility shall pay to the state the entire
170.34 nonfederal share of medical assistance payments received as a result of the difference
170.35 between the nursing facility's payment rate under paragraph (a) or (b), and the rates that

171.1 the nursing facility would otherwise be paid without application of this subdivision under
171.2 subdivision 54 ~~or 55~~ as determined by the commissioner.

171.3 (f) The commissioner may, at any time, reduce the payments under this subdivision
171.4 based on the commissioner's determination that the payments shall cause nursing facility
171.5 rates to exceed the state's Medicare upper payment limit or any other federal limitation. If
171.6 the commissioner determines a reduction is necessary, the commissioner shall reduce all
171.7 payment rates for participating nursing facilities by a percentage applied to the amount of
171.8 increase they would otherwise receive under this subdivision and shall notify participating
171.9 facilities of the reductions. If payments to a nursing facility are reduced, payments under
171.10 section 256B.19, subdivision 1e, shall be reduced accordingly.

171.11 Sec. 34. Minnesota Statutes 2014, section 256B.441, subdivision 56, is amended to read:

171.12 Subd. 56. **Hold harmless.** (a) For the rate years beginning ~~October 1, 2008,~~
171.13 ~~to October~~ on or after January 1, 2016, no nursing facility shall receive an operating
171.14 cost payment rate less than its prior system operating cost payment rate ~~under section~~
171.15 ~~256B.434. For rate years beginning between October 1, 2009, and October 1, 2015, no~~
171.16 ~~nursing facility shall receive an operating payment rate less than its operating payment~~
171.17 ~~rate in effect on September 30, 2009.~~ The comparison of operating payment rates under
171.18 this section shall be made for a RUG's rate with a weight of 1.00.

171.19 (b) For rate years beginning on or after January 1, 2016, no facility shall be subject
171.20 to a care-related payment rate limit reduction greater than five percent of the median
171.21 determined in subdivision 30.

171.22 Sec. 35. Minnesota Statutes 2014, section 256B.441, subdivision 63, is amended to read:

171.23 Subd. 63. **Critical access nursing facilities.** (a) The commissioner, in consultation
171.24 with the commissioner of health, may designate certain nursing facilities as critical access
171.25 nursing facilities. The designation shall be granted on a competitive basis, within the
171.26 limits of funds appropriated for this purpose.

171.27 (b) The commissioner shall request proposals from nursing facilities every
171.28 two years. Proposals must be submitted in the form and according to the timelines
171.29 established by the commissioner. In selecting applicants to designate, the commissioner,
171.30 in consultation with the commissioner of health, and with input from stakeholders, shall
171.31 develop criteria designed to preserve access to nursing facility services in isolated areas,
171.32 rebalance long-term care, and improve quality. Beginning in fiscal year 2015, to the
171.33 extent practicable, the commissioner shall ensure an even distribution of designations
171.34 across the state.

172.1 (c) The commissioner shall allow the benefits in clauses (1) to (5) for nursing
172.2 facilities designated as critical access nursing facilities:

172.3 (1) partial rebasing, with the commissioner allowing a designated facility operating
172.4 payment rates being the sum of up to 60 percent of the operating payment rate determined
172.5 in accordance with subdivision 54 and at least 40 percent, with the sum of the two portions
172.6 being equal to 100 percent, of the operating payment rate that would have been allowed
172.7 had the facility not been designated. The commissioner may adjust these percentages by
172.8 up to 20 percent and may approve a request for less than the amount allowed;

172.9 (2) enhanced payments for leave days. Notwithstanding section 256B.431,
172.10 subdivision 2r, upon designation as a critical access nursing facility, the commissioner
172.11 shall limit payment for leave days to 60 percent of that nursing facility's total payment rate
172.12 for the involved resident, and shall allow this payment only when the occupancy of the
172.13 nursing facility, inclusive of bed hold days, is equal to or greater than 90 percent;

172.14 (3) two designated critical access nursing facilities, with up to 100 beds in active
172.15 service, may jointly apply to the commissioner of health for a waiver of Minnesota
172.16 Rules, part 4658.0500, subpart 2, in order to jointly employ a director of nursing. The
172.17 commissioner of health will consider each waiver request independently based on the
172.18 criteria under Minnesota Rules, part 4658.0040;

172.19 (4) the minimum threshold under section 256B.431, subdivision 15, paragraph (e),
172.20 shall be 40 percent of the amount that would otherwise apply; and

172.21 (5) ~~notwithstanding subdivision 58, beginning October 1, 2014,~~ the quality-based
172.22 rate limits under subdivision 50 shall apply to designated critical access nursing facilities.

172.23 (d) Designation of a critical access nursing facility shall be for a period of two
172.24 years, after which the benefits allowed under paragraph (c) shall be removed. Designated
172.25 facilities may apply for continued designation.

172.26 (e) This subdivision is suspended and no state or federal funding shall be
172.27 appropriated or allocated for the purposes of this subdivision from January 1, 2016, to
172.28 December 31, 2017.

172.29 Sec. 36. Minnesota Statutes 2014, section 256B.441, is amended by adding a
172.30 subdivision to read:

172.31 Subd. 65. **Nursing facility in Golden Valley.** Effective for the rate year beginning
172.32 January 1, 2016, and all subsequent rate years, the operating payment rate for a facility
172.33 located in the city of Golden Valley at 3915 Golden Valley Road with 44 licensed
172.34 rehabilitation beds as of January 7, 2015, must be calculated without the application of
172.35 subdivisions 50 and 51.

173.1 Sec. 37. Minnesota Statutes 2014, section 256B.441, is amended by adding a
173.2 subdivision to read:

173.3 Subd. 66. **Nursing facilities in border cities.** Effective for the rate year beginning
173.4 January 1, 2016, and annually thereafter, operating payment rates of a nonprofit nursing
173.5 facility that exists on January 1, 2015, is located anywhere within the boundaries of the
173.6 city of Breckenridge, and is reimbursed under this section, section 256B.431, or section
173.7 256B.434, shall be adjusted to be equal to the median RUG's rates, including comparable
173.8 rate components as determined by the commissioner, for the equivalent RUG's weight of
173.9 the nonprofit nursing facility or facilities located in an adjacent city in another state and
173.10 in cities contiguous to the adjacent city. The Minnesota facility's operating payment rate
173.11 with a weight of 1.0 shall be computed by dividing the adjacent city's nursing facilities
173.12 median operating payment rate with a weight of 1.02 by 1.02. If the adjustments under
173.13 this subdivision result in a rate that exceeds the limits in subdivisions 50 and 51 in a given
173.14 rate year, the facility's rate shall not be subject to those limits for that rate year. This
173.15 subdivision shall apply only if it results in a rate increase.

173.16 Sec. 38. Minnesota Statutes 2014, section 256B.441, is amended by adding a
173.17 subdivision to read:

173.18 Subd. 67. **Nursing facility; contract with insurance provider.** Within the projected
173.19 cost of nursing facility payment reform under this section, for a facility that did not provide
173.20 employee health insurance coverage as of May 1, 2015, if the facility has a signed contract
173.21 with a health insurance provider to begin providing employee health insurance coverage
173.22 by January 1, 2016, the facility shall be paid for the employer health insurance costs
173.23 portion of external fixed costs under subdivisions 13 and 53 beginning January 1, 2016.

173.24 Sec. 39. Minnesota Statutes 2014, section 256B.50, subdivision 1, is amended to read:

173.25 Subdivision 1. **Scope.** A provider may appeal from a determination of a payment
173.26 rate established pursuant to this chapter or allowed costs under section 256B.441 and
173.27 reimbursement rules of the commissioner if the appeal, if successful, would result in
173.28 a change to the provider's payment rate or to the calculation of maximum charges to
173.29 therapy vendors as provided by section 256B.433, subdivision 3. Appeals must be filed
173.30 in accordance with procedures in this section. This section does not apply to a request
173.31 from a resident or long-term care facility for reconsideration of the classification of a
173.32 resident under section 144.0722.

173.33 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to appeals
173.34 filed on or after that date.

174.1 Sec. 40. Minnesota Statutes 2014, section 256I.05, subdivision 2, is amended to read:

174.2 Subd. 2. **Monthly rates; exemptions.** This subdivision applies to a residence
174.3 that on August 1, 1984, was licensed by the commissioner of health only as a boarding
174.4 care home, certified by the commissioner of health as an intermediate care facility, and
174.5 licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500
174.6 to 9520.0690. Notwithstanding the provisions of subdivision 1c, the rate paid to a
174.7 facility reimbursed under this subdivision shall be determined under section 256B.431,
174.8 ~~or under section 256B.434, or 256B.441,~~ if the facility is accepted by the commissioner
174.9 for participation in the alternative payment demonstration project. The rate paid to this
174.10 facility shall also include adjustments to the group residential housing rate according to
174.11 subdivision 1, and any adjustments applicable to supplemental service rates statewide.

174.12 Sec. 41. **DIRECTION TO COMMISSIONER; NURSING FACILITY PAYMENT**
174.13 **REFORM REPORT.**

174.14 By January 1, 2017, the commissioner of human services shall evaluate and report to
174.15 the house of representatives and senate committees and divisions with jurisdiction over
174.16 nursing facility payment rates on:

174.17 (1) the impact of using cost report data to set rates without accounting for cost
174.18 report to rate year inflation;

174.19 (2) the impact of the quality adjusted care limits;

174.20 (3) the ability of nursing facilities to attract and retain employees, including how rate
174.21 increases are being passed through to employees, under the new payment system;

174.22 (4) the efficacy of the critical access nursing facility program under Minnesota
174.23 Statutes, section 256B.441, subdivision 63, given the new nursing facility payment system;

174.24 (5) creating a process for the commissioner to designate certain facilities as
174.25 specialized care facilities for difficult-to-serve populations; and

174.26 (6) limiting the hold harmless in Minnesota Statutes, section 256B.441, subdivision
174.27 56.

174.28 Sec. 42. **PROPERTY RATE SETTING.**

174.29 The commissioner shall conduct a study, in consultation with stakeholders and
174.30 experts, of property rate setting, based on a rental value approach for Minnesota nursing
174.31 facilities, and shall report the findings to the house of representatives and senate
174.32 committees and divisions with jurisdiction over nursing facility payment rates by March 1,
174.33 2016, for a system implementation date of January 1, 2017. The commissioner shall:

175.1 (1) contract with at least two firms to conduct appraisals of all nursing facilities in
175.2 the medical assistance program. Each firm shall conduct appraisals of approximately
175.3 equal portions of all nursing facilities assigned to them at random. The appraisals shall
175.4 determine the value of the land, building, and equipment of each nursing facility, taking
175.5 into account the quality of construction and current condition of the building;

175.6 (2) use the information from the appraisals to complete the design of a fair rental
175.7 value system and calculate a replacement value and an effective age for each nursing
175.8 facility. Nursing facilities may request an appraisal by a second firm which shall be
175.9 assigned randomly by the commissioner. The commissioner shall use the findings of
175.10 the second appraisal. If the second firm increases the appraisal value by more than five
175.11 percent, the state shall pay for the second appraisal. Otherwise, the nursing facility shall
175.12 pay the cost of the appraisal. Results of appraisals are not otherwise subject to appeal
175.13 under section 256B.50; and

175.14 (3) include in the report required under this section the following items:

175.15 (i) a description of the proposed rental value system;

175.16 (ii) options for adjusting the system parameters that vary the cost of implementing
175.17 the new property rate system and an analysis of individual nursing facilities under the
175.18 current property payment rate and the rates under various approaches to calculating rates
175.19 under the rental value system;

175.20 (iii) recommended steps for transition to the rental value system;

175.21 (iv) an analysis of the expected long-term incentives of the rental value system for
175.22 nursing facilities to maintain and replace buildings, including how the current exceptions to
175.23 the moratorium process under Minnesota Statutes, section 144A.073, may be adapted; and

175.24 (v) bill language for implementation of the rental value system.

175.25 **Sec. 43. REVISOR'S INSTRUCTION.**

175.26 The revisor of statutes, in consultation with the House Research Department, Office
175.27 of Senate Counsel, Research, and Fiscal Analysis, Department of Human Services, and
175.28 stakeholders, shall prepare legislation for the 2016 legislative session to recodify laws
175.29 governing nursing home payments and rates in Minnesota Statutes, chapter 256B, and in
175.30 Minnesota Rules, chapter 9549.

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

175.32 **Sec. 44. REPEALER.**

175.33 Minnesota Statutes 2014, sections 256B.434, subdivision 19b; and 256B.441,
175.34 subdivisions 14a, 19, 50a, 52, 55, 58, and 62, are repealed.

176.1 **ARTICLE 6**176.2 **PUBLIC HEALTH AND HEALTH CARE DELIVERY**176.3 Section 1. **[62A.67] SHORT TITLE.**176.4 Sections 62A.67 to 62A.672 may be cited as the "Minnesota Telemedicine Act."176.5 **EFFECTIVE DATE.** This section is effective January 1, 2017, and applies to
176.6 coverage offered, sold, issued, or renewed on or after that date.176.7 Sec. 2. **[62A.671] DEFINITIONS.**176.8 Subdivision 1. **Applicability.** For purposes of sections 62A.67 to 62A.672, the
176.9 terms defined in this section have the meanings given.176.10 Subd. 2. **Distant site.** "Distant site" means a site at which a licensed health care
176.11 provider is located while providing health care services or consultations by means of
176.12 telemedicine.176.13 Subd. 3. **Health care provider.** "Health care provider" has the meaning provided
176.14 in section 62A.63, subdivision 2.176.15 Subd. 4. **Heath carrier.** "Health carrier" has the meaning provided in section
176.16 62A.011, subdivision 2.176.17 Subd. 5. **Health plan.** "Health plan" means a health plan as defined in section
176.18 62A.011, subdivision 3, and includes dental plans as defined in section 62Q.76, subdivision
176.19 3, but does not include dental plans that provide indemnity-based benefits, regardless of
176.20 expenses incurred and are designed to pay benefits directly to the policyholder.176.21 Subd. 6. **Licensed health care provider.** "Licensed health care provider" means a
176.22 health care provider who is:176.23 (1) licensed under chapter 147, 147A, 148, 148B, 148E, 148F, 150A, or 153; a
176.24 mental health professional as defined under section 245.462, subdivision 18, or 245.4871,
176.25 subdivision 27; or a vendor of medical care as defined in section 256B.02, subdivision
176.26 7; and176.27 (2) authorized within their respective scope of practice to provide the particular
176.28 service with no supervision or under general supervision.176.29 Subd. 7. **Originating site.** "Originating site" means a site including, but not limited
176.30 to, a health care facility at which a patient is located at the time health care services are
176.31 provided to the patient by means of telemedicine.176.32 Subd. 8. **Store-and-forward technology.** "Store-and-forward technology" means
176.33 the transmission of a patient's medical information from an originating site to a health care

177.1 provider at a distant site without the patient being present, or the delivery of telemedicine
177.2 that does not occur in real time via synchronous transmissions.

177.3 Subd. 9. **Telemedicine.** "Telemedicine" means the delivery of health care services
177.4 or consultations while the patient is at an originating site and the licensed health care
177.5 provider is at a distant site. A communication between licensed health care providers
177.6 that consists solely of a telephone conversation, e-mail, or facsimile transmissions does
177.7 not constitute telemedicine consultations or services. Telemedicine may be provided by
177.8 means of real-time two-way, interactive audio and visual communications, including the
177.9 application of secure video conferencing or store-and-forward technology to provide or
177.10 support health care delivery, which facilitate the assessment, diagnosis, consultation,
177.11 treatment, education, and care management of a patient's health care.

177.12 **EFFECTIVE DATE.** This section is effective January 1, 2017, and applies to
177.13 coverage offered, sold, issued, or renewed on or after that date.

177.14 Sec. 3. **[62A.672] COVERAGE OF TELEMEDICINE SERVICES.**

177.15 Subdivision 1. **Coverage of telemedicine.** (a) A health plan sold, issued, or renewed
177.16 by a health carrier for which coverage of benefits begins on or after January 1, 2017, shall
177.17 include coverage for telemedicine benefits in the same manner as any other benefits covered
177.18 under the policy, plan, or contract, and shall comply with the regulations of this section.

177.19 (b) Nothing in this section shall be construed to:

177.20 (1) require a health carrier to provide coverage for services that are not medically
177.21 necessary;

177.22 (2) prohibit a health carrier from establishing criteria that a health care provider
177.23 must meet to demonstrate the safety or efficacy of delivering a particular service via
177.24 telemedicine for which the health carrier does not already reimburse other health
177.25 care providers for delivering via telemedicine, so long as the criteria are not unduly
177.26 burdensome or unreasonable for the particular service; or

177.27 (3) prevent a health carrier from requiring a health care provider to agree to certain
177.28 documentation or billing practices designed to protect the health carrier or patients from
177.29 fraudulent claims so long as the practices are not unduly burdensome or unreasonable
177.30 for the particular service.

177.31 Subd. 2. **Parity between telemedicine and in-person services.** A health carrier
177.32 shall not exclude a service for coverage solely because the service is provided via
177.33 telemedicine and is not provided through in-person consultation or contact between a
177.34 licensed health care provider and a patient.

178.1 Subd. 3. Reimbursement for telemedicine services. (a) A health carrier shall
178.2 reimburse the distant site licensed health care provider for covered services delivered
178.3 via telemedicine commensurate with the cost of delivering health care services through
178.4 telemedicine. The distant site provider is responsible for reimbursing any fees to the
178.5 originating site.

178.6 (b) It is not a violation of this subdivision for a health carrier to include a
178.7 deductible, co-payment, or coinsurance requirement for a health care service provided via
178.8 telemedicine, provided that the deductible, co-payment, or coinsurance is not in addition
178.9 to, and does not exceed, the deductible, co-payment, or coinsurance applicable if the same
178.10 services were provided through in-person contact.

178.11 **EFFECTIVE DATE.** This section is effective January 1, 2017, and applies to
178.12 coverage offered, sold, issued, or renewed on or after that date.

178.13 Sec. 4. Minnesota Statutes 2014, section 103I.205, subdivision 4, is amended to read:

178.14 **Subd. 4. License required.** (a) Except as provided in paragraph (b), (c), (d), or (e),
178.15 section 103I.401, subdivision 2, or section 103I.601, subdivision 2, a person may not
178.16 drill, construct, repair, or seal a well or boring unless the person has a well contractor's
178.17 license in possession.

178.18 (b) A person may construct, repair, and seal a monitoring well if the person:

178.19 (1) is a professional engineer licensed under sections 326.02 to 326.15 in the
178.20 branches of civil or geological engineering;

178.21 (2) is a hydrologist or hydrogeologist certified by the American Institute of
178.22 Hydrology;

178.23 (3) is a professional geoscientist licensed under sections 326.02 to 326.15;

178.24 (4) is a geologist certified by the American Institute of Professional Geologists; or

178.25 (5) meets the qualifications established by the commissioner in rule.

178.26 A person must register with the commissioner as a monitoring well contractor on
178.27 forms provided by the commissioner.

178.28 (c) A person may do the following work with a limited well/boring contractor's
178.29 license in possession. A separate license is required for each of the six activities:

178.30 (1) installing or repairing well screens or pitless units or pitless adaptors and well
178.31 casings from the pitless adaptor or pitless unit to the upper termination of the well casing;

178.32 (2) constructing, repairing, and sealing drive point wells or dug wells;

178.33 (3) installing well pumps or pumping equipment;

178.34 (4) sealing wells;

178.35 (5) constructing, repairing, or sealing dewatering wells; or

179.1 (6) constructing, repairing, or sealing bored geothermal heat exchangers.

179.2 (d) A person may construct, repair, and seal an elevator boring with an elevator
179.3 boring contractor's license.

179.4 (e) Notwithstanding other provisions of this chapter requiring a license or
179.5 registration, a license or registration is not required for a person who complies with the
179.6 other provisions of this chapter if the person is:

179.7 (1) an individual who constructs a well on land that is owned or leased by the
179.8 individual and is used by the individual for farming or agricultural purposes or as the
179.9 individual's place of abode;

179.10 (2) an individual who performs labor or services for a contractor licensed or
179.11 registered under the provisions of this chapter in connection with the construction, sealing,
179.12 or repair of a well or boring at the direction and under the personal supervision of a
179.13 contractor licensed or registered under the provisions of this chapter; or

179.14 (3) a licensed plumber who is repairing submersible pumps or water pipes associated
179.15 with well water systems if:

179.16 (i) the repair location is within an area where there is no licensed or registered
179.17 well contractor within 25 50 miles; and

179.18 (ii) the licensed plumber complies with all of the requirements of this chapter and
179.19 all relevant sections of the plumbing code.

179.20 Sec. 5. **[144.1506] PRIMARY CARE RESIDENCY EXPANSION GRANT**
179.21 **PROGRAM.**

179.22 Subdivision 1. Definitions. For purposes of this section, the following definitions
179.23 apply:

179.24 (1) "eligible primary care residency program" means a program that meets the
179.25 following criteria:

179.26 (i) is located in Minnesota;

179.27 (ii) trains medical residents in the specialties of family medicine, general internal
179.28 medicine, general pediatrics, psychiatry, geriatrics, or general surgery; and

179.29 (iii) is accredited by the Accreditation Council for Graduate Medical Education or
179.30 presents a credible plan to obtain accreditation;

179.31 (2) "eligible project" means a project to establish a new eligible primary care
179.32 residency program or create at least one new residency slot in an existing eligible primary
179.33 care residency program; and

179.34 (3) "new residency slot" means the creation of a new residency position and the
179.35 execution of a contract with a new resident in a residency program.

180.1 Subd. 2. **Expansion grant program.** (a) The commissioner of health shall award
180.2 primary care residency expansion grants to eligible primary care residency programs to
180.3 plan and implement new residency slots. A planning grant shall not exceed \$75,000, and a
180.4 training grant shall not exceed \$150,000 per new residency slot for the first year, \$100,000
180.5 for the second year, and \$50,000 for the third year of the new residency slot.

180.6 (b) Funds may be spent to cover the costs of:

180.7 (1) planning related to establishing an accredited primary care residency program;

180.8 (2) obtaining accreditation by the Accreditation Council for Graduate Medical
180.9 Education or another national body that accredits residency programs;

180.10 (3) establishing new residency programs or new resident training slots;

180.11 (4) recruitment, training, and retention of new residents and faculty;

180.12 (5) travel and lodging for new residents;

180.13 (6) faculty, new resident, and preceptor salaries related to new residency slots;

180.14 (7) training site improvements, fees, equipment, and supplies required for new
180.15 family medicine resident training slots; and

180.16 (8) supporting clinical education in which trainees are part of a primary care team
180.17 model.

180.18 Subd. 3. **Applications for expansion grants.** Eligible primary care residency
180.19 programs seeking a grant shall apply to the commissioner. Applications must include the
180.20 number of new family medicine residency slots planned or under contract; attestation that
180.21 funding will be used to support an increase in the number of available residency slots;
180.22 a description of the training to be received by the new residents, including the location
180.23 of training; a description of the project, including all costs associated with the project;
180.24 all sources of funds for the project; detailed uses of all funds for the project; the results
180.25 expected; and a plan to maintain the new residency slot after the grant period. The
180.26 applicant must describe achievable objectives, a timetable, and roles and capabilities of
180.27 responsible individuals in the organization.

180.28 Subd. 4. **Consideration of expansion grant applications.** The commissioner shall
180.29 review each application to determine whether or not the residency program application
180.30 is complete and whether the proposed new residency program and any new residency
180.31 slots are eligible for a grant. The commissioner shall award grants to support up to six
180.32 family medicine, general internal medicine, or general pediatrics residents; four psychiatry
180.33 residents; two geriatrics residents; and two general surgery residents. If insufficient
180.34 applications are received from any eligible specialty, funds may be redistributed to
180.35 applications from other eligible specialties.

181.1 Subd. 5. **Program oversight.** During the grant period, the commissioner may
181.2 require and collect from grantees any information necessary to evaluate the program.
181.3 Appropriations made to the program do not cancel and are available until expended.

181.4 Sec. 6. Minnesota Statutes 2014, section 144.293, subdivision 5, is amended to read:

181.5 Subd. 5. **Exceptions to consent requirement.** (a) This section does not prohibit the
181.6 release of health records:

181.7 (1) for a medical emergency when the provider is unable to obtain the patient's
181.8 consent due to the patient's condition or the nature of the medical emergency;

181.9 (2) to other providers within related health care entities when necessary for the
181.10 current treatment of the patient; or

181.11 (3) to a health care facility licensed by this chapter, chapter 144A, or to the same
181.12 types of health care facilities licensed by this chapter and chapter 144A that are licensed
181.13 in another state when a patient:

181.14 (i) is returning to the health care facility and unable to provide consent; or

181.15 (ii) who resides in the health care facility, has services provided by an outside
181.16 resource under Code of Federal Regulations, title 42, section 483.75(h), and is unable
181.17 to provide consent.

181.18 (b) A provider may release a deceased patient's health care records to another provider
181.19 for the purposes of diagnosing or treating the deceased patient's surviving adult child.

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

181.21 Sec. 7. [144.586] **REQUIREMENTS FOR CERTAIN NOTICES AND**
181.22 **DISCHARGE PLANNING.**

181.23 Subdivision 1. **Observation stay notice.** (a) Each hospital, as defined under
181.24 section 144.50, subdivision 2, shall provide oral and written notice to each patient that
181.25 the hospital places in observation status of such placement not later than 24 hours after
181.26 such placement. The oral and written notices must include:

181.27 (1) a statement that the patient is not admitted to the hospital but is under observation
181.28 status;

181.29 (2) a statement that observation status may affect the patient's Medicare coverage for:

181.30 (i) hospital services, including medications and pharmaceutical supplies; or

181.31 (ii) home or community-based care or care at a skilled nursing facility upon the
181.32 patient's discharge; and

181.33 (3) a recommendation that the patient contact the patient's health insurance provider
181.34 or the Office of the Ombudsman for Long-Term Care or Office of the Ombudsman for

182.1 State Managed Health Care Programs or the Beneficiary and Family Centered Care
182.2 Quality Improvement Organization to better understand the implications of placement in
182.3 observation status.

182.4 (b) The hospital shall document the date in the patient's record that the notice
182.5 required in paragraph (a) was provided to the patient, the patient's designated
182.6 representative such as the patient's health care agent, legal guardian, conservator, or
182.7 another person acting as the patient's representative.

182.8 Subd. 2. **Postacute care discharge planning.** Each hospital, including hospitals
182.9 designated as critical access hospitals, must comply with the federal hospital requirements
182.10 for discharge planning which include:

182.11 (1) conducting a discharge planning evaluation that includes an evaluation of:

182.12 (i) the likelihood of the patient needing posthospital services and of the availability
182.13 of those services; and

182.14 (ii) the patient's capacity for self-care or the possibility of the patient being cared for
182.15 in the environment from which the patient entered the hospital;

182.16 (2) timely completion of the discharge planning evaluation under clause (1) by
182.17 hospital personnel so that appropriate arrangements for posthospital care are made before
182.18 discharge, and to avoid unnecessary delays in discharge;

182.19 (3) including the discharge planning evaluation under clause (1) in the patient's
182.20 medical record for use in establishing an appropriate discharge plan. The hospital must
182.21 discuss the results of the evaluation with the patient or individual acting on behalf of the
182.22 patient. The hospital must reassess the patient's discharge plan if the hospital determines
182.23 that there are factors that may affect continuing care needs or the appropriateness of
182.24 the discharge plan; and

182.25 (4) providing counseling, as needed, for the patient and family members or interested
182.26 persons to prepare them for posthospital care. The hospital must provide a list of available
182.27 Medicare-eligible home care agencies or skilled nursing facilities that serve the patient's
182.28 geographic area, or other area requested by the patient if such care or placement is
182.29 indicated and appropriate. Once the patient has designated their preferred providers, the
182.30 hospital will assist the patient in securing care covered by their health plan or within the
182.31 care network. The hospital must not specify or otherwise limit the qualified providers that
182.32 are available to the patient. The hospital must document in the patient's record that the list
182.33 was presented to the patient or to the individual acting on the patient's behalf.

182.34 Sec. 8. **[144.611] CAPTIONING REQUIRED.**

182.35 (a) This section applies to health care facilities licensed under this chapter.

183.1 (b) Any television in a waiting room provided for use by the general public, or by
183.2 individuals using or requesting services, must have a closed captioning feature activated at
183.3 all times, if the television includes a captioning feature. A health care facility must make
183.4 reasonable efforts to prevent members of the general public and individuals using or
183.5 requesting services from independently deactivating a captioning feature.

183.6 (c) It is not a violation of this section if the captioning feature is deactivated by a
183.7 member of the general public or an individual using or requesting services, so long as
183.8 the captioning is reactivated as soon as possible by a member of the facility staff upon
183.9 knowledge that the deactivation has occurred.

183.10 (d) Failure to provide captioning consistent with this section is a violation of section
183.11 363A.11.

183.12 **Sec. 9. [144.999] LIFE-SAVING ALLERGY MEDICATION.**

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

183.15 (b) "Administer" means the direct application of an epinephrine auto-injector to
183.16 the body of an individual.

183.17 (c) "Authorized entity" means entities that fall in the categories of recreation camps,
183.18 colleges and universities, preschools and day cares, and any other category of entities or
183.19 organizations that the commissioner authorizes to obtain and administer epinephrine
183.20 auto-injectors pursuant to this section. This definition does not include a school covered
183.21 under section 121A.2207.

183.22 (d) "Commissioner" means the commissioner of health.

183.23 (e) "Epinephrine auto-injector" means a single-use device used for the automatic
183.24 injection of a premeasured dose of epinephrine into the human body.

183.25 (f) "Provide" means to supply one or more epinephrine auto-injectors to an
183.26 individual or the individual's parent, legal guardian, or caretaker.

183.27 Subd. 2. **Commissioner duties.** The commissioner may identify additional
183.28 categories of entities or organizations to be authorized entities if the commissioner
183.29 determines that individuals may come in contact with allergens capable of causing
183.30 anaphylaxis. Beginning July 1, 2016, the commissioner may annually review the
183.31 categories of authorized entities and may authorize additional categories of authorized
183.32 entities as the commissioner deems appropriate. The commissioner may contract with a
183.33 vendor to perform the review and identification of authorized entities.

183.34 Subd. 3. **Obtaining and storing epinephrine auto-injectors.** (a) Notwithstanding
183.35 section 151.37, an authorized entity may obtain and possess epinephrine auto-injectors to

184.1 be provided or administered to an individual if, in good faith, an employee or agent of
184.2 an authorized entity believes that the individual is experiencing anaphylaxis regardless
184.3 of whether the individual has a prescription for an epinephrine auto-injector. The
184.4 administration of an epinephrine auto-injector in accordance with this section is not the
184.5 practice of medicine.

184.6 (b) An authorized entity may obtain epinephrine auto-injectors from pharmacies
184.7 licensed as wholesale drug distributors pursuant to section 151.47. Prior to obtaining an
184.8 epinephrine auto-injector, an owner, manager, or authorized agent of the entity must
184.9 present to the pharmacy a valid certificate of training obtained pursuant to subdivision 5.

184.10 (c) An authorized entity shall store epinephrine auto-injectors in a location readily
184.11 accessible in an emergency and in accordance with the epinephrine auto-injector's
184.12 instructions for use and any additional requirements that may be established by the
184.13 commissioner. An authorized entity shall designate employees or agents who have
184.14 completed the training program required under subdivision 5 to be responsible for the
184.15 storage, maintenance, and control of epinephrine auto-injectors obtained and possessed
184.16 by the authorized entity.

184.17 Subd. 4. **Use of epinephrine auto-injectors.** (a) An owner, manager, employee, or
184.18 agent of an authorized entity who has completed the training required under subdivision 5
184.19 may:

184.20 (1) provide an epinephrine auto-injector for immediate administration to an
184.21 individual or the individual's parent, legal guardian, or caregiver if the employee or agent
184.22 believes, in good faith, the individual is experiencing anaphylaxis, regardless of whether
184.23 the individual has a prescription for an epinephrine auto-injector or has previously been
184.24 diagnosed with an allergy; or

184.25 (2) administer an epinephrine auto-injector to an individual who the employee
184.26 or agent believes, in good faith, is experiencing anaphylaxis, regardless of whether the
184.27 individual has a prescription for an epinephrine auto-injector or has previously been
184.28 diagnosed with an allergy.

184.29 (b) Nothing in this section shall be construed to require any authorized entity to
184.30 maintain a stock of epinephrine auto-injectors.

184.31 Subd. 5. **Training.** (a) In order to use an epinephrine auto-injector as authorized
184.32 under subdivision 4, an individual must complete, every two years, an anaphylaxis training
184.33 program conducted by a nationally recognized organization experienced in training
184.34 laypersons in emergency health treatment, a statewide organization with experience
184.35 providing training on allergies and anaphylaxis under the supervision of board-certified
184.36 allergy medical advisors, or an entity or individual approved by the commissioner to

185.1 provide an anaphylaxis training program. The commissioner may approve specific entities
185.2 or individuals to conduct the training program or may approve categories of entities or
185.3 individuals to conduct the training program. Training may be conducted online or in
185.4 person and, at a minimum, must cover:

185.5 (1) how to recognize signs and symptoms of severe allergic reactions, including
185.6 anaphylaxis;

185.7 (2) standards and procedures for the storage and administration of an epinephrine
185.8 auto-injector; and

185.9 (3) emergency follow-up procedures.

185.10 (b) The entity or individual conducting the training shall issue a certificate to each
185.11 person who successfully completes the anaphylaxis training program. The commissioner
185.12 may develop, approve, and disseminate a standard certificate of completion. The
185.13 certificate of completion shall be valid for two years from the date issued.

185.14 Subd. 6. **Good samaritan protections.** Any act or omission taken pursuant to
185.15 this section by an authorized entity that possesses and makes available epinephrine
185.16 auto-injectors and its employees or agents, a pharmacy or manufacturer that dispenses
185.17 epinephrine auto-injectors to an authorized entity, or an individual or entity that conducts
185.18 the training described in subdivision 5 is considered "emergency care, advice, or
185.19 assistance" under section 604A.01.

185.20 Sec. 10. Minnesota Statutes 2014, section 144A.75, subdivision 13, is amended to read:

185.21 Subd. 13. **Residential hospice facility.** (a) "Residential hospice facility" means
185.22 a facility that resembles a single-family home located in a residential area that directly
185.23 provides 24-hour residential and support services in a home-like setting for hospice patients
185.24 as an integral part of the continuum of home care provided by a hospice and that houses:

185.25 (1) no more than eight hospice patients; or

185.26 (2) at least nine and no more than 12 hospice patients with the approval of the local
185.27 governing authority, notwithstanding section 462.357, subdivision 8.

185.28 (b) Residential hospice facility also means a facility that directly provides 24-hour
185.29 residential and support services for hospice patients and that:

185.30 (1) houses no more than 21 hospice patients;

185.31 (2) meets hospice certification regulations adopted pursuant to title XVIII of the
185.32 federal Social Security Act, United States Code, title 42, section 1395, et seq.; and

185.33 (3) is located on St. Anthony Avenue in St. Paul, Minnesota, and was licensed as a
185.34 40-bed non-Medicare certified nursing home as of January 1, 2015.

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

186.1 Sec. 11. Minnesota Statutes 2014, section 144E.001, is amended by adding a
186.2 subdivision to read:

186.3 Subd. 5h. **Community medical response emergency medical technician.**
186.4 "Community medical response emergency medical technician" or "CEMT" means
186.5 a person who is certified as an emergency medical technician, who is a member of a
186.6 registered medical response unit under this chapter, and who meets the requirements for
186.7 additional certification as a CEMT as specified in section 144E.275, subdivision 7.

186.8 Sec. 12. Minnesota Statutes 2014, section 144E.275, subdivision 1, is amended to read:

186.9 Subdivision 1. **Definition.** For purposes of this section, the following definitions
186.10 apply:

186.11 (a) "Medical response unit" means an organized service recognized by a local political
186.12 subdivision whose primary responsibility is to respond to medical emergencies to provide
186.13 initial medical care before the arrival of a licensed ambulance service. Medical response
186.14 units may, subject to requirements specified elsewhere in this chapter and only when
186.15 requested by the patient's primary physician, advanced practice registered nurse, physician
186.16 assistant, or care team, provide, at the direction of a medical director, episodic population
186.17 health support, episodic individual patient education, and prevention education programs.

186.18 (b) "Specialized medical response unit" means an organized service recognized by a
186.19 board-approved authority other than a local political subdivision that responds to medical
186.20 emergencies as needed or as required by local procedure or protocol.

186.21 Sec. 13. Minnesota Statutes 2014, section 144E.275, is amended by adding a
186.22 subdivision to read:

186.23 Subd. 7. **Community medical response emergency medical technician.** (a) To be
186.24 eligible for certification by the board as a CEMT, an individual shall:

186.25 (1) be currently certified as an EMT or AEMT;

186.26 (2) have two years of service as an EMT or AEMT;

186.27 (3) be a member of a registered medical response unit as defined in this chapter;

186.28 (4) successfully complete a CEMT training program from a college or university that
186.29 has been approved by the board or accredited by a board-approved national accrediting
186.30 organization. The training must include clinical experience under the supervision of the
186.31 medical response unit medical director, an advanced practice registered nurse, a physician
186.32 assistant, or a public health nurse operating under the direct authority of a local unit
186.33 of government; and

186.34 (5) complete a board-approved application form.

187.1 (b) A CEMT must practice in accordance with protocols and supervisory standards
187.2 established by the medical response unit medical director in accordance with section
187.3 144E.265.

187.4 (c) A CEMT may provide services as approved by the medical response unit medical
187.5 director.

187.6 (d) A CEMT may provide episodic individual patient education and prevention
187.7 education only as directed by a patient care plan developed by the patient's primary
187.8 physician, an advanced practice registered nurse, or a physician assistant, in conjunction
187.9 with the medical response unit medical director and relevant local health care providers.
187.10 The care plan must ensure that the services provided by the CEMT are consistent with
187.11 services offered by the patient's health care home, if one exists, that the patient receives
187.12 the necessary services, and that there is no duplication of services to the patient.

187.13 (e) A CEMT is subject to all certification, disciplinary, complaint, and other
187.14 regulatory requirements that apply to EMTs under this chapter.

187.15 (f) A CEMT may not provide services defined in section 144A.471, subdivisions 6
187.16 and 7, except a CEMT may provide verbal or visual reminders to the patient to:

187.17 (1) take a regularly scheduled medication, but not to provide or bring the patient
187.18 medication; and

187.19 (2) follow regularly scheduled treatment or exercise plans.

187.20 Sec. 14. Minnesota Statutes 2014, section 145.4131, subdivision 1, is amended to read:

187.21 Subdivision 1. **Forms.** (a) Within 90 days of July 1, 1998, the commissioner shall
187.22 prepare a reporting form for use by physicians or facilities performing abortions. A copy
187.23 of this section shall be attached to the form. A physician or facility performing an abortion
187.24 shall obtain a form from the commissioner.

187.25 (b) The form shall require the following information:

187.26 (1) the number of abortions performed by the physician in the previous calendar
187.27 year, reported by month;

187.28 (2) the method used for each abortion;

187.29 (3) the approximate gestational age expressed in one of the following increments:

187.30 (i) less than nine weeks;

187.31 (ii) nine to ten weeks;

187.32 (iii) 11 to 12 weeks;

187.33 (iv) 13 to 15 weeks;

187.34 (v) 16 to 20 weeks;

187.35 (vi) 21 to 24 weeks;

- 188.1 (vii) 25 to 30 weeks;
- 188.2 (viii) 31 to 36 weeks; or
- 188.3 (ix) 37 weeks to term;
- 188.4 (4) the age of the woman at the time the abortion was performed;
- 188.5 (5) the specific reason for the abortion, including, but not limited to, the following:
- 188.6 (i) the pregnancy was a result of rape;
- 188.7 (ii) the pregnancy was a result of incest;
- 188.8 (iii) economic reasons;
- 188.9 (iv) the woman does not want children at this time;
- 188.10 (v) the woman's emotional health is at stake;
- 188.11 (vi) the woman's physical health is at stake;
- 188.12 (vii) the woman will suffer substantial and irreversible impairment of a major bodily
- 188.13 function if the pregnancy continues;
- 188.14 (viii) the pregnancy resulted in fetal anomalies; or
- 188.15 (ix) unknown or the woman refused to answer;
- 188.16 (6) the number of prior induced abortions;
- 188.17 (7) the number of prior spontaneous abortions;
- 188.18 (8) whether the abortion was paid for by:
- 188.19 (i) private coverage;
- 188.20 (ii) public assistance health coverage; or
- 188.21 (iii) self-pay;
- 188.22 (9) whether coverage was under:
- 188.23 (i) a fee-for-service plan;
- 188.24 (ii) a capitated private plan; or
- 188.25 (iii) other;
- 188.26 (10) complications, if any, for each abortion and for the aftermath of each abortion.
- 188.27 Space for a description of any complications shall be available on the form; ~~and~~
- 188.28 (11) the medical specialty of the physician performing the abortion;
- 188.29 (12) whether the abortion resulted in a born alive infant, as defined in section
- 188.30 145.423, subdivision 4, and:
- 188.31 (i) any medical actions taken to preserve the life of the born alive infant;
- 188.32 (ii) whether the born alive infant survived; and
- 188.33 (iii) the status of the born alive infant, should the infant survive, if known.

188.34 Sec. 15. **[145.417] LICENSURE OF CERTAIN FACILITIES THAT PERFORM**

188.35 **ABORTIONS.**

189.1 Subdivision 1. **License required for facilities that perform ten or more abortions**
189.2 **per month.** (a) A clinic, health center, or other facility in which the pregnancies of ten or
189.3 more women known to be pregnant are willfully terminated or aborted each month shall
189.4 be licensed by the commissioner of health and, notwithstanding Minnesota Rules, part
189.5 4675.0100, subparts 8 and 9, subject to the licensure requirements provided in Minnesota
189.6 Rules, chapter 4675. The commissioner shall not require a facility licensed as a hospital or
189.7 as an outpatient surgical center, pursuant to sections 144.50 to 144.56, to obtain a separate
189.8 license under this section, but may subject these facilities to inspections and investigations
189.9 as permitted under subdivision 2.

189.10 (b) The commissioner of health, the attorney general, an appropriate county attorney,
189.11 or a woman upon whom an abortion has been performed or attempted to be performed
189.12 at an unlicensed facility may seek an injunction in district court against the continued
189.13 operation of the facility. Proceedings for securing an injunction may be brought by the
189.14 attorney general or by the appropriate county attorney.

189.15 (c) Sanctions provided in this subdivision do not restrict other available sanctions.

189.16 Subd. 2. **Inspections; no notice required.** No more than two times per year,
189.17 the commissioner of health shall perform routine and comprehensive inspections and
189.18 investigations of facilities described under subdivision 1. Every clinic, health center,
189.19 or other facility described under subdivision 1, and any other premise proposed to be
189.20 conducted as a facility by an applicant for a license, shall be open at all reasonable times
189.21 to inspection authorized in writing by the commissioner of health. No notice need be
189.22 given to any person prior to any inspection.

189.23 Subd. 3. **Licensure fee.** (a) The annual license fee for facilities required to be
189.24 licensed under this section is \$3,712.

189.25 (b) Fees shall be collected and deposited according to section 144.122.

189.26 Subd. 4. **Suspension, revocation, and refusal to renew.** The commissioner of
189.27 health may refuse to grant or renew, or may suspend or revoke a license on any of the
189.28 following grounds:

189.29 (1) violation of any of the provisions of this section or Minnesota Rules, chapter 4675;

189.30 (2) permitting, aiding, or abetting the commission of any illegal act in the facility;

189.31 (3) conduct or practices detrimental to the welfare of the patient;

189.32 (4) obtaining or attempting to obtain a license by fraud or misrepresentation; or

189.33 (5) if there is a pattern of conduct that involves one or more physicians in the

189.34 facility who have a financial or economic interest in the facility, as defined in section

189.35 144.6521, subdivision 3, and who have not provided notice and disclosure of the financial

189.36 or economic interest as required by section 144.6521.

190.1 Subd. 5. **Hearing.** Prior to any suspension, revocation, or refusal to renew a license,
190.2 the licensee shall be entitled to notice and a hearing as provided by sections 14.57 to
190.3 14.69. At each hearing, the commissioner of health shall have the burden of establishing
190.4 that a violation described in subdivision 4 has occurred. If a license is revoked, suspended,
190.5 or not renewed, a new application for license may be considered by the commissioner if
190.6 the conditions upon which revocation, suspension, or refusal to renew was based have
190.7 been corrected and evidence of this fact has been satisfactorily furnished. A new license
190.8 may be granted after proper inspection has been made and all provisions of this section
190.9 and Minnesota Rules, chapter 4675, have been complied with and a recommendation
190.10 for licensure has been made by the commissioner or by an inspector as an agent of the
190.11 commissioner.

190.12 Subd. 6. **Severability.** If any one or more provision, section, subdivision, sentence,
190.13 clause, phrase, or word of this section or the application of it to any person or circumstance
190.14 is found to be unconstitutional, it is declared to be severable and the balance of this section
190.15 shall remain effective notwithstanding such unconstitutionality. The legislature intends
190.16 that it would have passed this section, and each provision, section, subdivision, sentence,
190.17 clause, phrase, or word, regardless of the fact that any one provision, section, subdivision,
190.18 sentence, clause, phrase, or word is declared unconstitutional.

190.19 Sec. 16. Minnesota Statutes 2014, section 145.423, is amended to read:

190.20 **145.423 ABORTION; LIVE BIRTHS.**

190.21 Subdivision 1. **Recognition; medical care.** A ~~live child born~~ born alive infant as a
190.22 result of an abortion shall be fully recognized as a human person, and accorded immediate
190.23 protection under the law. All reasonable measures consistent with good medical practice,
190.24 including the compilation of appropriate medical records, shall be taken by the responsible
190.25 medical personnel to preserve the life and health of the ~~child~~ born alive infant.

190.26 Subd. 2. **Physician required.** When an abortion is performed after the twentieth
190.27 week of pregnancy, a physician, other than the physician performing the abortion, shall
190.28 be immediately accessible to take all reasonable measures consistent with good medical
190.29 practice, including the compilation of appropriate medical records, to preserve the life and
190.30 health of any ~~live birth~~ born alive infant that is the result of the abortion.

190.31 Subd. 3. **Death.** If a ~~child~~ born alive infant described in subdivision 1 dies after
190.32 birth, the body shall be disposed of in accordance with the provisions of section 145.1621.

190.33 Subd. 4. **Definition of born alive infant.** (a) In determining the meaning of
190.34 any Minnesota statute, or of any ruling, regulation, or interpretation of the various
190.35 administrative bureaus and agencies of Minnesota, the words "person," "human being,"

191.1 "child," and "individual" shall include every infant member of the species Homo sapiens
191.2 who is born alive at any stage of development.

191.3 (b) As used in this section, the term "born alive," with respect to a member of the
191.4 species Homo sapiens, means the complete expulsion or extraction from his or her mother
191.5 of that member, at any stage of development, who, after such expulsion or extraction,
191.6 breathes or has a beating heart, pulsation of the umbilical cord, or definite movement of
191.7 voluntary muscles, regardless of whether the umbilical cord has been cut, and regardless
191.8 of whether the expulsion or extraction occurs as a result of a natural or induced labor,
191.9 cesarean section, or induced abortion.

191.10 (c) Nothing in this section shall be construed to affirm, deny, expand, or contract any
191.11 legal status or legal right applicable to any member of the species Homo sapiens at any
191.12 point prior to being born alive, as defined in this section.

191.13 Subd. 5. **Civil and disciplinary actions.** (a) Any person upon whom an abortion
191.14 has been performed, or the parent or guardian of the mother if the mother is a minor,
191.15 and the abortion results in the infant having been born alive, may maintain an action for
191.16 death of or injury to the born alive infant against the person who performed the abortion
191.17 if the death or injury was a result of simple negligence, gross negligence, wantonness,
191.18 willfulness, intentional conduct, or another violation of the legal standard of care.

191.19 (b) Any responsible medical personnel that does not take all reasonable measures
191.20 consistent with good medical practice to preserve the life and health of the born alive
191.21 infant, as required by subdivision 1, may be subject to the suspension or revocation of that
191.22 person's professional license by the professional board with authority over that person.
191.23 Any person who has performed an abortion and against whom judgment has been rendered
191.24 pursuant to paragraph (a) shall be subject to an automatic suspension of the person's
191.25 professional license for at least one year and said license shall be reinstated only after the
191.26 person's professional board requires compliance with this section by all board licensees.

191.27 (c) Nothing in this subdivision shall be construed to hold the mother of the born alive
191.28 infant criminally or civilly liable for the actions of a physician, nurse, or other licensed
191.29 health care provider in violation of this section to which the mother did not give her consent.

191.30 Subd. 6. **Protection of privacy in court proceedings.** In every civil action
191.31 brought under this section, the court shall rule whether the anonymity of any female
191.32 upon whom an abortion has been performed or attempted shall be preserved from public
191.33 disclosure if she does not give her consent to such disclosure. The court, upon motion or
191.34 sua sponte, shall make such a ruling and, upon determining that her anonymity should
191.35 be preserved, shall issue orders to the parties, witnesses, and counsel and shall direct the
191.36 sealing of the record and exclusion of individuals from courtrooms or hearing rooms to

192.1 the extent necessary to safeguard her identity from public disclosure. Each order must be
192.2 accompanied by specific written findings explaining why the anonymity of the female
192.3 should be preserved from public disclosure, why the order is essential to that end, how the
192.4 order is narrowly tailored to serve that interest, and why no reasonable, less restrictive
192.5 alternative exists. This section may not be construed to conceal the identity of the plaintiff
192.6 or of witnesses from the defendant.

192.7 Subd. 7. **Status of born alive infant.** Unless the abortion is performed to save the
192.8 life of the woman or fetus, or, unless one or both of the parents of the born alive infant
192.9 agree within 30 days of the birth to accept the parental rights and responsibilities for the
192.10 child, the child shall be an abandoned ward of the state and the parents shall have no
192.11 parental rights or obligations as if the parental rights had been terminated pursuant to
192.12 section 260C.301. The child shall be provided for pursuant to chapter 256J.

192.13 Subd. 8. **Severability.** If any one or more provision, section, subdivision, sentence,
192.14 clause, phrase, or word of this section or the application of it to any person or circumstance
192.15 is found to be unconstitutional, it is declared to be severable and the balance of this section
192.16 shall remain effective notwithstanding such unconstitutionality. The legislature intends
192.17 that it would have passed this section, and each provision, section, subdivision, sentence,
192.18 clause, phrase, or word, regardless of the fact that any one provision, section, subdivision,
192.19 sentence, clause, phrase, or word is declared unconstitutional.

192.20 Subd. 9. **Short title.** This act may be cited as the "Born Alive Infants Protection Act."

192.21 Sec. 17. **[145.471] PRENATAL TRISOMY DIAGNOSIS AWARENESS ACT.**

192.22 Subdivision 1. **Short title.** This section shall be known and may be cited as the
192.23 "Prenatal Trisomy Diagnosis Awareness Act."

192.24 Subd. 2. **Definitions.** For purposes of this section, the following terms have the
192.25 meanings given them:

192.26 (1) "commissioner" means the commissioner of health;

192.27 (2) "deliver" means providing information to an expectant parent and, if appropriate,
192.28 other family members, in a written format;

192.29 (3) "health care practitioner" means a medical professional that provides prenatal or
192.30 postnatal care and administers or requests administration of a diagnostic or screening test
192.31 to a pregnant woman that detects for trisomy conditions; and

192.32 (4) "trisomy conditions" means trisomy 13, otherwise known as Patau syndrome;
192.33 trisomy 18, otherwise known as Edwards syndrome; and trisomy 21, otherwise known
192.34 as Down syndrome.

193.1 Subd. 3. **Health care practitioner duty.** A health care practitioner who orders tests
193.2 for a pregnant woman to screen for trisomy conditions shall provide the information in
193.3 subdivision 4 to the pregnant woman if the test reveals a positive result for any of the
193.4 trisomy conditions.

193.5 Subd. 4. **Commissioner duties.** (a) The commissioner shall make the following
193.6 information available to health care practitioners:

193.7 (1) up-to-date and evidence-based information about the trisomy conditions that has
193.8 been reviewed by medical experts and national trisomy organizations. The information
193.9 must be provided in a written or an alternative format and must include the following:

193.10 (i) expected physical, developmental, educational, and psychosocial outcomes;

193.11 (ii) life expectancy;

193.12 (iii) the clinical course description;

193.13 (iv) expected intellectual and functional development; and

193.14 (v) treatment options available for the particular syndrome for which the test was
193.15 positive; and

193.16 (2) contact information for nonprofit organizations that provide information and
193.17 support services for trisomy conditions.

193.18 (b) The commissioner shall post the information in paragraph (a) on the Department
193.19 of Health Web site.

193.20 (c) The commissioner shall follow existing department practice to ensure that the
193.21 information is culturally and linguistically appropriate for all recipients.

193.22 (d) Any local or national organization that provides education or services related
193.23 to trisomy conditions may request that the commissioner include the organization's
193.24 informational material and contact information on the Department of Health Web site.

193.25 Once a request is made, the commissioner may add the information to the Web site.

193.26 **EFFECTIVE DATE.** This section is effective August 1, 2015.

193.27 Sec. 18. Minnesota Statutes 2014, section 145.928, subdivision 13, is amended to read:

193.28 Subd. 13. **Report Reports.** (a) The commissioner shall submit a biennial report
193.29 to the legislature on the local community projects, tribal government, and community
193.30 health board prevention activities funded under this section. These reports must include
193.31 information on grant recipients, activities that were conducted using grant funds,
193.32 evaluation data, and outcome measures, if available. These reports are due by January 15
193.33 of every other year, beginning in the year 2003.

193.34 (b) The commissioner shall submit an annual report to the chairs and ranking
193.35 minority members of the house of representatives and senate committees with jurisdiction

194.1 over public health on grants made under subdivision 7 to decrease racial and ethnic
194.2 disparities in infant mortality rates. The report must provide specific information on the
194.3 amount of each grant awarded to each agency or organization, the population served
194.4 by each agency or organization, outcomes of the programs funded by each grant, and
194.5 the amount of the appropriation retained by the commissioner for administrative and
194.6 associated expenses. The commissioner shall issue a report each January 15 for the
194.7 previous fiscal year beginning January 15, 2016.

194.8 **Sec. 19. [145.9299] SMILE HEALTHY MINNESOTA 2016 GRANT PROGRAM.**

194.9 (a) The commissioner of health shall establish the Smile Healthy Minnesota 2016
194.10 grant program to provide access to dental care for at-risk children, adolescents, adults,
194.11 and seniors in rural areas of Minnesota. The grant is available to nonprofit agencies that
194.12 provide mobile dental care through the use of portable dental equipment. To be eligible
194.13 for a grant, a provider agency must:

194.14 (1) encourage early screening and preventative care by providing dental exams for
194.15 children one year of age;

194.16 (2) provide dental services to at-risk children, adolescents, adults, and seniors in
194.17 a health professional shortage area as defined under Code of Federal Regulations, title
194.18 42, part 5, and United States Code, title 42, section 254E, that is located outside the
194.19 seven-county metropolitan area; and

194.20 (3) provide preventative dental care including fluoride monitoring, screenings, and
194.21 minor dental treatment; and general dental care, education, and information.

194.22 (b) Grantees must report their dental health outcomes to the commissioner by
194.23 December 31, 2018.

194.24 (c) Grant recipients must be organized as a nonprofit entity in Minnesota.

194.25 (d) A grantee is prohibited from billing for preventative screenings until the
194.26 comprehensive oral health services are completed.

194.27 Sec. 20. Minnesota Statutes 2014, section 152.34, is amended to read:

194.28 **152.34 NURSING HEALTH CARE FACILITIES.**

194.29 Nursing Health care facilities licensed under chapter 144A, boarding care homes
194.30 licensed under section 144.50, and assisted living facilities, and facilities owned,
194.31 controlled, managed, or under common control with hospitals licensed under chapter 144
194.32 may adopt reasonable restrictions on the use of medical cannabis by a patient enrolled in
194.33 the registry program who resides at or is actively receiving treatment or care at the facility.
194.34 The restrictions may include a provision that the facility will not store or maintain the

195.1 patient's supply of medical cannabis, that the facility is not responsible for providing the
195.2 medical cannabis for patients, and that medical cannabis be used only in a place specified
195.3 by the facility. Nothing contained in this section shall require the facilities to adopt such
195.4 restrictions and no facility shall unreasonably limit a patient's access to or use of medical
195.5 cannabis to the extent that use is authorized by the patient under sections 152.22 to 152.37.

195.6 Sec. 21. Minnesota Statutes 2014, section 157.15, subdivision 8, is amended to read:

195.7 Subd. 8. **Lodging establishment.** "Lodging establishment" means: (1) a building,
195.8 structure, enclosure, or any part thereof used as, maintained as, advertised as, or held out to
195.9 be a place where sleeping accommodations are furnished to the public as regular roomers,
195.10 for periods of one week or more, and having five or more beds to let to the public-; or (2) a
195.11 building, structure, or enclosure or any part thereof located within ten miles distance from
195.12 a hospital or medical center and maintained as, advertised as, or held out to be a place
195.13 where sleeping accommodations are furnished exclusively to patients, their families, and
195.14 caregivers while the patient is receiving or waiting to receive health care treatments or
195.15 procedures for periods of one week or more, and where no supportive services, as defined
195.16 under section 157.17, subdivision 1, paragraph (a), or health supervision services, as
195.17 defined under section 157.17, subdivision 1, paragraph (b), or home care services, as
195.18 defined under section 144A.471, subdivisions 6 and 7, are provided.

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

195.20 Sec. 22. Minnesota Statutes 2014, section 256B.0625, subdivision 3b, is amended to
195.21 read:

195.22 Subd. 3b. **Telemedicine consultations services.** (a) Medical assistance covers
195.23 medically necessary services and consultations delivered by a licensed health care provider
195.24 via telemedicine consultations. ~~Telemedicine consultations must be made via two-way,~~
195.25 ~~interactive video or store-and-forward technology. Store-and-forward technology includes~~
195.26 ~~telemedicine consultations that do not occur in real time via synchronous transmissions,~~
195.27 ~~and that do not require a face-to-face encounter with the patient for all or any part of any~~
195.28 ~~such telemedicine consultation. The patient record must include a written opinion from the~~
195.29 ~~consulting physician providing the telemedicine consultation. A communication between~~
195.30 ~~two physicians that consists solely of a telephone conversation is not a telemedicine~~
195.31 ~~consultation in the same manner as if the service or consultation was delivered in person.~~
195.32 Coverage is limited to three telemedicine consultations services per recipient enrollee per
195.33 calendar week. Telemedicine consultations services shall be paid at the full allowable rate.

196.1 (b) The commissioner shall establish criteria that a health care provider must attest
196.2 to in order to demonstrate the safety or efficacy of delivering a particular service via
196.3 telemedicine. The attestation may include that the health care provider:

196.4 (1) has identified the categories or types of services the health care provider will
196.5 provide via telemedicine;

196.6 (2) has written policies and procedures specific to telemedicine services that are
196.7 regularly reviewed and updated;

196.8 (3) has policies and procedures that adequately address patient safety before, during,
196.9 and after the telemedicine service is rendered;

196.10 (4) has established protocols addressing how and when to discontinue telemedicine
196.11 services; and

196.12 (5) has an established quality assurance process related to telemedicine services.

196.13 (c) As a condition of payment, a licensed health care provider must document
196.14 each occurrence of a health service provided by telemedicine to a medical assistance
196.15 enrollee. Health care service records for services provided by telemedicine must meet
196.16 the requirements set forth in Minnesota Rules, chapter 9505.2175, subparts 1 and 2,
196.17 and must document:

196.18 (1) the type of service provided by telemedicine;

196.19 (2) the time the service began and the time the service ended, including an a.m. and
196.20 p.m. designation;

196.21 (3) documentation of the licensed health care provider's basis for determining that
196.22 telemedicine is an appropriate and effective means for delivering the service to the enrollee;

196.23 (4) the mode of transmission of the telemedicine service and records evidencing that
196.24 a particular mode of transmission was utilized;

196.25 (5) the location of the originating site and the distant site;

196.26 (6) if the claim for payment is based on a physician's telemedicine consultation
196.27 with another physician, the written opinion from the consulting physician providing the
196.28 telemedicine consultation; and

196.29 (7) documentation of compliance with the criteria attested to by the health care
196.30 provider in accordance with paragraph (b).

196.31 (d) If a health care provider provides the facility used as the originating site for the
196.32 delivery of telemedicine to a patient, the commissioner shall make a facility fee payment
196.33 to the originating site health care provider in an amount equivalent to the originated site
196.34 fee paid by Medicare. No facility fee shall be paid to a health care provider that is being
196.35 paid under a cost-based methodology or if Medicare has already paid the facility fee for an
196.36 enrollee who is dually eligible for Medicare and medical assistance.

197.1 (e) For purposes of this subdivision, "telemedicine" is defined under section
197.2 62A.671, subdivision 9; "licensed health care provider" is defined under section 62A.671,
197.3 subdivision 6; "health care provider" is defined under section 62A.671, subdivision 3; and
197.4 "originating site" is defined under section 62A.671, subdivision 7.

197.5 (f) The criteria described in section 256B.0625, subdivision 3b, paragraph (b), shall
197.6 not apply to managed care organizations and county-based purchasing plans, which may
197.7 establish criteria as described in section 62A.672, subdivision 1, paragraph (b), clause (2),
197.8 for the coverage of telemedicine services.

197.9 **EFFECTIVE DATE.** This section is effective January 1, 2017, and applies to
197.10 coverage offered, sold, issued, or renewed on or after that date.

197.11 Sec. 23. **COMMUNITY MEDICAL RESPONSE EMERGENCY MEDICAL**
197.12 **TECHNICIAN SERVICES COVERED UNDER THE MEDICAL ASSISTANCE**
197.13 **PROGRAM.**

197.14 (a) The commissioner of human services, in consultation with representatives of
197.15 emergency medical service providers, public health nurses, community health workers,
197.16 the Minnesota State Fire Chiefs Association, the Minnesota Professional Firefighters
197.17 Association, the Minnesota State Firefighters Department Association, Minnesota
197.18 Academy of Family Physicians, Minnesota Licensed Practical Nurses Association,
197.19 Minnesota Nurses Association, and local public health agencies, shall determine specified
197.20 services and payment rates for these services to be performed by community medical
197.21 response emergency medical technicians certified under Minnesota Statutes, section
197.22 144E.275, subdivision 7, and covered by medical assistance under Minnesota Statutes,
197.23 section 256B.0625. Services may include interventions intended to prevent avoidable
197.24 ambulance transportation or hospital emergency department use, care coordination,
197.25 diagnosis-related patient education, and population-based preventive education.

197.26 (b) In order to be eligible for payment, services provided by a community medical
197.27 response emergency medical technician must be:

197.28 (1) ordered by a medical response unit medical director;

197.29 (2) part of a patient care plan that has been developed in coordination with the
197.30 patient's primary physician, advanced practice registered nurse, and relevant local health
197.31 care providers; and

197.32 (3) billed by an eligible medical assistance-enrolled provider that employs or
197.33 contracts with the community medical response emergency medical technician.

198.1 In determining the community medical response emergency medical technician services
198.2 to include under medical assistance coverage, the commissioner of human services shall
198.3 consider the potential of hospital admittance and emergency room utilization reductions as
198.4 well as increased access to quality care in rural communities.

198.5 (c) The commissioner of human services shall submit the list of services to be
198.6 covered by medical assistance to the chairs and ranking minority members of the
198.7 legislative committees with jurisdiction over health and human services policy and finance
198.8 by February 15, 2016. These services shall not be covered by medical assistance until
198.9 legislation providing coverage for the services is enacted in law.

198.10 **Sec. 24. EVALUATION OF COMMUNITY ADVANCED EMERGENCY**
198.11 **MEDICAL TECHNICIAN SERVICES.**

198.12 If legislation is enacted to cover community advanced emergency medical technician
198.13 services with medical assistance, the commissioner of human services shall evaluate
198.14 the effect of medical assistance and MinnesotaCare coverage for those services on the
198.15 cost and quality of care under those programs and the coordination of those services
198.16 with the health care home services. The commissioner shall present findings to the
198.17 chairs and ranking minority members of the legislative committees with jurisdiction over
198.18 health and human services policy and finance by December 1, 2017. The commissioner
198.19 shall require medical assistance- and MinnesotaCare-enrolled providers that employ or
198.20 contract with community medical response emergency medical technicians to provide to
198.21 the commissioner, in the form and manner specified by the commissioner, the utilization,
198.22 cost, and quality data necessary to conduct this evaluation.

198.23 **Sec. 25. PROHIBITION ON USE OF FUNDS.**

198.24 Subdivision 1. **Use of funds.** Funding for state-sponsored health programs shall not
198.25 be used for funding abortions, except to the extent necessary for continued participation in
198.26 a federal program. This subdivision applies only to state-sponsored health programs that
198.27 are administered by the commissioner of human services. For purposes of this section,
198.28 abortion has the meaning given in Minnesota Statutes, section 144.343, subdivision 3.

198.29 Subd. 2. **Severability.** If any one or more provision, section, subdivision, sentence,
198.30 clause, phrase, or word of this section or the application of it to any person or circumstance
198.31 is found to be unconstitutional, it is declared to be severable and the balance of this section
198.32 shall remain effective notwithstanding such unconstitutionality. The legislature intends
198.33 that it would have passed this section, and each provision, section, subdivision, sentence,

199.1 clause, phrase, or word irrespective of the fact that any one provision, section, subdivision,
199.2 sentence, clause, phrase, or word is declared unconstitutional.

199.3 **ARTICLE 7**

199.4 **CHILDREN AND FAMILY SERVICES**

199.5 Section 1. Minnesota Statutes 2014, section 245C.03, is amended by adding a
199.6 subdivision to read:

199.7 **Subd. 10. Providers of group residential housing or supplementary services.**

199.8 The commissioner shall conduct background studies on any individual required under
199.9 section 256I.04 to have a background study completed under this chapter.

199.10 **EFFECTIVE DATE.** This section is effective July 1, 2016.

199.11 Sec. 2. Minnesota Statutes 2014, section 245C.03, is amended by adding a subdivision
199.12 to read:

199.13 **Subd. 11. Child protection workers or social services staff having responsibility**

199.14 **for child protective duties.** The commissioner shall conduct background studies of any
199.15 individual employed by a county social services agency or by a local welfare agency who
199.16 performs child protection duties.

199.17 Sec. 3. Minnesota Statutes 2014, section 245C.10, is amended by adding a subdivision
199.18 to read:

199.19 **Subd. 11. Providers of group residential housing or supplementary services.**

199.20 The commissioner shall recover the cost of background studies initiated by providers of
199.21 group residential housing or supplementary services under section 256I.04 through a fee
199.22 of no more than \$20 per study. The fees collected under this subdivision are appropriated
199.23 to the commissioner for the purpose of conducting background studies.

199.24 **EFFECTIVE DATE.** This section is effective July 1, 2016.

199.25 Sec. 4. Minnesota Statutes 2014, section 245C.10, is amended by adding a subdivision
199.26 to read:

199.27 **Subd. 12. Child protection workers or social services staff having responsibility**

199.28 **for child protective duties.** The commissioner shall recover the cost of background
199.29 studies performed on county employees who perform child protective duties through a fee
199.30 of no more than \$20 per study. The fees collected under this subdivision are appropriated
199.31 to the commissioner for the purpose of conducting background studies.

200.1 Sec. 5. Minnesota Statutes 2014, section 256.01, is amended by adding a subdivision
200.2 to read:

200.3 Subd. 12a. **Department of Human Services child fatality and near fatality**
200.4 **review team.** The commissioner shall establish a Department of Human Services child
200.5 fatality and near fatality review team to review child fatalities and near fatalities due to
200.6 child maltreatment and child fatalities and near fatalities that occur in licensed facilities
200.7 and are not due to natural causes. The review team shall assess the entire child protection
200.8 services process from the point of a mandated reporter reporting the alleged maltreatment
200.9 through the ongoing case management process. Department staff shall lead and conduct
200.10 on-site local reviews and utilize supervisors from local county and tribal child welfare
200.11 agencies as peer reviewers. The review process must focus on critical elements of the case
200.12 and on the involvement of the child and family with the county or tribal child welfare
200.13 agency. The review team shall identify necessary program improvement planning to
200.14 address any practice issues identified and training and technical assistance needs of
200.15 the local agency. Summary reports of each review shall be provided to the state child
200.16 mortality review panel when completed.

200.17 Sec. 6. Minnesota Statutes 2014, section 256.01, is amended by adding a subdivision
200.18 to read:

200.19 Subd. 14c. **Early intervention support and services for at-risk American Indian**
200.20 **families.** (a) The commissioner shall authorize grants to tribal child welfare agencies and
200.21 urban Indian organizations for the purpose of providing early intervention support and
200.22 services to prevent child maltreatment for at-risk American Indian families.

200.23 (b) The commissioner is authorized to develop program eligibility criteria, early
200.24 intervention service delivery procedures, and reporting requirements for agencies and
200.25 organizations receiving grants.

200.26 Sec. 7. Minnesota Statutes 2014, section 256.017, subdivision 1, is amended to read:

200.27 Subdivision 1. **Authority and purpose.** The commissioner shall administer a
200.28 compliance system for the Minnesota family investment program, the food stamp or food
200.29 support program, emergency assistance, general assistance, medical assistance, emergency
200.30 general assistance, Minnesota supplemental assistance, group residential housing,
200.31 preadmission screening, alternative care grants, the child care assistance program, and
200.32 all other programs administered by the commissioner or on behalf of the commissioner
200.33 under the powers and authorities named in section 256.01, subdivision 2. The purpose of
200.34 the compliance system is to permit the commissioner to supervise the administration of

201.1 public assistance programs and to enforce timely and accurate distribution of benefits,
201.2 completeness of service and efficient and effective program management and operations,
201.3 to increase uniformity and consistency in the administration and delivery of public
201.4 assistance programs throughout the state, and to reduce the possibility of sanctions and
201.5 fiscal disallowances for noncompliance with federal regulations and state statutes. The
201.6 commissioner, or the commissioner's representative, may issue administrative subpoenas
201.7 as needed in administering the compliance system.

201.8 The commissioner shall utilize training, technical assistance, and monitoring
201.9 activities, as specified in section 256.01, subdivision 2, to encourage county agency
201.10 compliance with written policies and procedures.

201.11 Sec. 8. Minnesota Statutes 2014, section 256.741, subdivision 1, is amended to read:

201.12 Subdivision 1. **Definitions.** (a) The term "direct support" as used in this chapter and
201.13 chapters 257, 518, 518A, and 518C refers to an assigned support payment from an obligor
201.14 which is paid directly to a recipient of public assistance.

201.15 (b) The term "public assistance" as used in this chapter and chapters 257, 518, 518A,
201.16 and 518C, includes any form of assistance provided under the AFDC program formerly
201.17 codified in sections 256.72 to 256.87, MFIP and MFIP-R formerly codified under chapter
201.18 256, MFIP under chapter 256J, work first program formerly codified under chapter 256K;
201.19 child care assistance provided through the child care fund under chapter 119B; any form
201.20 of medical assistance under chapter 256B; ~~MinnesotaCare under chapter 256L~~; and
201.21 foster care as provided under title IV-E of the Social Security Act. MinnesotaCare and
201.22 plans supplemented by tax credits are not considered public assistance for purposes of
201.23 a child support referral.

201.24 (c) The term "child support agency" as used in this section refers to the public
201.25 authority responsible for child support enforcement.

201.26 (d) The term "public assistance agency" as used in this section refers to a public
201.27 authority providing public assistance to an individual.

201.28 (e) The terms "child support" and "arrear" as used in this section have the meanings
201.29 provided in section 518A.26.

201.30 (f) The term "maintenance" as used in this section has the meaning provided in
201.31 section 518.003.

201.32 Sec. 9. Minnesota Statutes 2014, section 256.741, subdivision 2, is amended to read:

201.33 Subd. 2. **Assignment of support and maintenance rights.** (a) An individual
201.34 receiving public assistance in the form of assistance under any of the following programs:

202.1 the AFDC program formerly codified in sections 256.72 to 256.87, MFIP under chapter
202.2 256J, MFIP-R and MFIP formerly codified under chapter 256, or work first program
202.3 formerly codified under chapter 256K is considered to have assigned to the state at the
202.4 time of application all rights to child support and maintenance from any other person the
202.5 applicant or recipient may have in the individual's own behalf or in the behalf of any other
202.6 family member for whom application for public assistance is made. An assistance unit is
202.7 ineligible for the Minnesota family investment program unless the caregiver assigns all
202.8 rights to child support and maintenance benefits according to this section.

202.9 (1) The assignment is effective as to any current child support and current
202.10 maintenance.

202.11 (2) Any child support or maintenance arrears that accrue while an individual is
202.12 receiving public assistance in the form of assistance under any of the programs listed in
202.13 this paragraph are permanently assigned to the state.

202.14 (3) The assignment of current child support and current maintenance ends on the
202.15 date the individual ceases to receive or is no longer eligible to receive public assistance
202.16 under any of the programs listed in this paragraph.

202.17 (b) An individual receiving public assistance in the form of medical assistance;
202.18 ~~including MinnesotaCare~~, is considered to have assigned to the state at the time of
202.19 application all rights to medical support from any other person the individual may have
202.20 in the individual's own behalf or in the behalf of any other family member for whom
202.21 medical assistance is provided.

202.22 (1) An assignment made after September 30, 1997, is effective as to any medical
202.23 support accruing after the date of medical assistance ~~or MinnesotaCare~~ eligibility.

202.24 (2) Any medical support arrears that accrue while an individual is receiving public
202.25 assistance in the form of medical assistance, ~~including MinnesotaCare~~, are permanently
202.26 assigned to the state.

202.27 (3) The assignment of current medical support ends on the date the individual ceases
202.28 to receive or is no longer eligible to receive public assistance in the form of medical
202.29 assistance ~~or MinnesotaCare~~.

202.30 (c) An individual receiving public assistance in the form of child care assistance
202.31 under the child care fund pursuant to chapter 119B is considered to have assigned to the
202.32 state at the time of application all rights to child care support from any other person the
202.33 individual may have in the individual's own behalf or in the behalf of any other family
202.34 member for whom child care assistance is provided.

202.35 (1) The assignment is effective as to any current child care support.

203.1 (2) Any child care support arrears that accrue while an individual is receiving public
203.2 assistance in the form of child care assistance under the child care fund in chapter 119B
203.3 are permanently assigned to the state.

203.4 (3) The assignment of current child care support ends on the date the individual
203.5 ceases to receive or is no longer eligible to receive public assistance in the form of child
203.6 care assistance under the child care fund under chapter 119B.

203.7 Sec. 10. **[256E.28] CHILD PROTECTION GRANTS TO ADDRESS CHILD**
203.8 **WELFARE DISPARITIES.**

203.9 Subdivision 1. Child welfare disparities grant program established. The
203.10 commissioner may award grants to eligible entities for the development, implementation,
203.11 and evaluation of activities to address racial disparities and disproportionality in the child
203.12 welfare system by:

203.13 (1) identifying and addressing structural factors that contribute to inequities in
203.14 outcomes;

203.15 (2) identifying and implementing strategies to reduce racial disparities in treatment
203.16 and outcomes;

203.17 (3) using cultural values, beliefs, and practices of families, communities, and tribes
203.18 for case planning, service design, and decision-making processes;

203.19 (4) using placement and reunification strategies to maintain and support relationships
203.20 and connections between parents, siblings, children, kin, significant others, and tribes; and

203.21 (5) supporting families in the context of their communities and tribes to safely divert
203.22 them from the child welfare system, whenever possible.

203.23 Subd. 2. State-community partnerships; plan. The commissioner, in partnership
203.24 with the culturally based community organizations; the Indian Affairs Council under
203.25 section 3.922; the Council on Affairs of Chicano/Latino People under section 3.9223;
203.26 the Council on Black Minnesotans under section 3.9225; the Council on Asian-Pacific
203.27 Minnesotans under section 3.9226; the American Indian Child Welfare Advisory Council
203.28 under section 260.835; counties; and tribal governments, shall develop and implement a
203.29 comprehensive, coordinated plan to award funds under this section for the priority areas
203.30 identified in subdivision 1. In developing and implementing this plan, the commissioner
203.31 shall consult with the legislative task force on child protection.

203.32 Subd. 3. Measurable outcomes. The commissioner, in consultation with the
203.33 community partners listed in subdivision 2 and the legislative task force on child protection,
203.34 shall establish measurable outcomes to achieve the goals specified in subdivision 1 and to
203.35 determine the effectiveness of the grants and other activities funded under this section in

204.1 reducing disparities identified in subdivision 1. The development of measurable outcomes
204.2 must be completed before any funds are distributed under this section.

204.3 Subd. 4. **Process.** (a) The commissioner, in consultation with the community
204.4 partners listed in subdivision 2 and the legislative task force on child protection, shall
204.5 develop the criteria and procedures to allocate competitive grants under this section. In
204.6 developing the criteria, the commissioner shall establish an administrative cost limit for
204.7 grant recipients. A county awarded a grant shall not spend more than three percent of the
204.8 grant on administrative costs. When a grant is awarded, the commissioner must provide a
204.9 grant recipient with information on the outcomes established according to subdivision 3.

204.10 (b) A grant recipient must coordinate its activities with other entities receiving funds
204.11 under this section that are in the grant recipient's service area.

204.12 (c) Grant funds must not be used to supplant any state or federal funds received
204.13 for child welfare services.

204.14 Subd. 5. **Grant program criteria.** (a) The commissioner, in consultation with
204.15 the legislative task force on child protection, shall award competitive grants to eligible
204.16 applicants for local or regional projects and initiatives directed at reducing disparities in
204.17 the child welfare system.

204.18 (b) The commissioner may award up to 20 percent of the funds available as planning
204.19 grants. Planning grants must be used to address such areas as community assessment,
204.20 coordination activities, and development of community supported strategies.

204.21 (c) Eligible applicants may include, but are not limited to, faith-based organizations,
204.22 social service organizations, community nonprofit organizations, counties, and tribal
204.23 governments. Applicants must submit proposals to the commissioner. A proposal must
204.24 specify the strategies to be implemented to address one or more of the priority areas in
204.25 subdivision 1 and must be targeted to achieve the outcomes established according to
204.26 subdivision 3.

204.27 (d) The commissioner shall give priority to applicants who demonstrate that their
204.28 proposed project or initiative:

204.29 (1) is supported by the community the applicant will serve;

204.30 (2) is evidence-based;

204.31 (3) is designed to complement other related community activities;

204.32 (4) utilizes strategies that positively impact priority areas;

204.33 (5) reflects culturally appropriate approaches; or

204.34 (6) will be implemented through or with community-based organizations that reflect
204.35 the culture of the population to be reached.

205.1 Subd. 6. **Evaluation.** (a) Using the outcomes established according to subdivision
205.2 3, the commissioner shall conduct a biennial evaluation of the grant program funded under
205.3 this section. Grant recipients shall cooperate with the commissioner in the evaluation and
205.4 shall provide the commissioner with the information needed to conduct the evaluation.

205.5 (b) The commissioner shall consult with the legislative task force on child protection
205.6 during the evaluation process and shall submit a biennial evaluation report to the task
205.7 force and to the chairs and ranking minority members of the house of representatives and
205.8 senate committees with jurisdiction over child protection funding.

205.9 Subd. 7. **American Indian child welfare projects.** Of the amount appropriated for
205.10 purposes of this section, the commissioner shall award \$75,000 to each tribe authorized to
205.11 provide tribal delivery of child welfare services under section 256.01, subdivision 14b. To
205.12 receive funds under this subdivision, a participating tribe is not required to apply to the
205.13 commissioner for grant funds. Participating tribes are also eligible for competitive grant
205.14 funds under this section.

205.15 Sec. 11. Minnesota Statutes 2014, section 256E.35, subdivision 2, is amended to read:

205.16 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

205.17 (b) "Eligible educational institution" means the following:

205.18 (1) an institution of higher education described in section 101 or 102 of the Higher
205.19 Education Act of 1965; or

205.20 (2) an area vocational education school, as defined in subparagraph (C) or (D) of
205.21 United States Code, title 20, chapter 44, section 2302 (3) (the Carl D. Perkins Vocational
205.22 and Applied Technology Education Act), which is located within any state, as defined in
205.23 United States Code, title 20, chapter 44, section 2302 (30). This clause is applicable only
205.24 to the extent section 2302 is in effect on August 1, 2008.

205.25 ~~(b)~~ (c) "Family asset account" means a savings account opened by a household
205.26 participating in the Minnesota family assets for independence initiative.

205.27 ~~(e)~~ (d) "Fiduciary organization" means:

205.28 (1) a community action agency that has obtained recognition under section 256E.31;

205.29 (2) a federal community development credit union serving the seven-county
205.30 metropolitan area; or

205.31 (3) a women-oriented economic development agency serving the seven-county
205.32 metropolitan area.

205.33 (e) "Financial coach" means a person who:

206.1 (1) has completed an intensive financial literacy training workshop that includes
206.2 curriculum on budgeting to increase savings, debt reduction and asset building, building a
206.3 good credit rating, and consumer protection;

206.4 (2) participates in ongoing statewide family assets for independence in Minnesota
206.5 (FAIM) network training meetings under FAIM program supervision; and

206.6 (3) provides financial coaching to program participants under subdivision 4a.

206.7 ~~(d)~~ (f) "Financial institution" means a bank, bank and trust, savings bank, savings
206.8 association, or credit union, the deposits of which are insured by the Federal Deposit
206.9 Insurance Corporation or the National Credit Union Administration.

206.10 (g) "Household" means all individuals who share use of a dwelling unit as primary
206.11 quarters for living and eating separate from other individuals.

206.12 ~~(e)~~ (h) "Permissible use" means:

206.13 (1) postsecondary educational expenses at an eligible educational institution as
206.14 defined in paragraph ~~(g)~~ (b), including books, supplies, and equipment required for
206.15 courses of instruction;

206.16 (2) acquisition costs of acquiring, constructing, or reconstructing a residence,
206.17 including any usual or reasonable settlement, financing, or other closing costs;

206.18 (3) business capitalization expenses for expenditures on capital, plant, equipment,
206.19 working capital, and inventory expenses of a legitimate business pursuant to a business
206.20 plan approved by the fiduciary organization; and

206.21 (4) acquisition costs of a principal residence within the meaning of section 1034 of
206.22 the Internal Revenue Code of 1986 which do not exceed 100 percent of the average area
206.23 purchase price applicable to the residence determined according to section 143(e)(2) and
206.24 (3) of the Internal Revenue Code of 1986.

206.25 ~~(f) "Household" means all individuals who share use of a dwelling unit as primary~~
206.26 ~~quarters for living and eating separate from other individuals.~~

206.27 ~~(g) "Eligible educational institution" means the following:~~

206.28 ~~(1) an institution of higher education described in section 101 or 102 of the Higher~~
206.29 ~~Education Act of 1965; or~~

206.30 ~~(2) an area vocational education school, as defined in subparagraph (C) or (D) of~~
206.31 ~~United States Code, title 20, chapter 44, section 2302 (3) (the Carl D. Perkins Vocational~~
206.32 ~~and Applied Technology Education Act), which is located within any state, as defined in~~
206.33 ~~United States Code, title 20, chapter 44, section 2302 (30). This clause is applicable only~~
206.34 ~~to the extent section 2302 is in effect on August 1, 2008.~~

207.1 Sec. 12. Minnesota Statutes 2014, section 256E.35, is amended by adding a subdivision
207.2 to read:

207.3 Subd. 4a. **Financial coaching.** Within available appropriations, a financial coach
207.4 shall provide the following to program participants:

207.5 (1) financial education relating to budgeting, debt reduction, asset-specific training,
207.6 and financial stability activities;

207.7 (2) asset-specific training related to buying a home, acquiring postsecondary
207.8 education, or starting or expanding a small business; and

207.9 (3) financial stability education and training to improve and sustain financial security.

207.10 Sec. 13. Minnesota Statutes 2014, section 256I.03, subdivision 3, is amended to read:

207.11 Subd. 3. **Group residential housing.** "Group residential housing" means a group
207.12 living situation that provides at a minimum room and board to unrelated persons who
207.13 meet the eligibility requirements of section 256I.04. ~~This definition includes foster care~~
207.14 ~~settings or community residential settings for a single adult.~~ To receive payment for a
207.15 group residence rate, the residence must meet the requirements under section 256I.04,
207.16 ~~subdivision~~ subdivisions 2a to 2f.

207.17 Sec. 14. Minnesota Statutes 2014, section 256I.03, subdivision 7, is amended to read:

207.18 Subd. 7. **Countable income.** "Countable income" means all income received by
207.19 an applicant or recipient less any applicable exclusions or disregards. For a recipient of
207.20 any cash benefit from the SSI program, countable income means the SSI benefit limit in
207.21 effect at the time the person is ~~in a GRH~~ a recipient of group residential housing, less the
207.22 medical assistance personal needs allowance under section 256B.35. If the SSI limit
207.23 ~~has been or benefit is reduced for a person due to events occurring prior to the persons~~
207.24 ~~entering the GRH setting~~ other than receipt of additional income, countable income means
207.25 actual income less any applicable exclusions and disregards.

207.26 Sec. 15. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision
207.27 to read:

207.28 Subd. 9. **Direct contact.** "Direct contact" means providing face-to-face care,
207.29 training, supervision, counseling, consultation, or medication assistance to recipients of
207.30 group residential housing.

207.31 Sec. 16. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision
207.32 to read:

208.1 Subd. 10. **Habitability inspection.** "Habitability inspection" means an inspection to
208.2 determine whether the housing occupied by an individual meets the habitability standards
208.3 specified by the commissioner. The standards must be provided to the applicant in writing
208.4 and posted on the Department of Human Services Web site.

208.5 Sec. 17. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision
208.6 to read:

208.7 Subd. 11. **Long-term homelessness.** "Long-term homelessness" means lacking a
208.8 permanent place to live:

208.9 (1) continuously for one year or more; or

208.10 (2) at least four times in the past three years.

208.11 Sec. 18. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision
208.12 to read:

208.13 Subd. 12. **Professional certification.** "Professional certification" means a statement
208.14 about an individual's illness, injury, or incapacity that is signed by a qualified professional.
208.15 The statement must specify that the individual has an illness or incapacity which limits the
208.16 individual's ability to work and provide self-support. The statement must also specify that
208.17 the individual needs assistance to access or maintain housing, as evidenced by the need
208.18 for two or more of the following services:

208.19 (1) tenancy supports to assist an individual with finding the individual's own
208.20 home, landlord negotiation, securing furniture and household supplies, understanding
208.21 and maintaining tenant responsibilities, conflict negotiation, and budgeting and financial
208.22 education;

208.23 (2) supportive services to assist with basic living and social skills, household
208.24 management, monitoring of overall well-being, and problem solving;

208.25 (3) employment supports to assist with maintaining or increasing employment,
208.26 increasing earnings, understanding and utilizing appropriate benefits and services,
208.27 improving physical or mental health, moving toward self-sufficiency, and achieving
208.28 personal goals; or

208.29 (4) health supervision services to assist in the preparation and administration of
208.30 medications other than injectables, the provision of therapeutic diets, taking vital signs, or
208.31 providing assistance in dressing, grooming, bathing, or with walking devices.

208.32 Sec. 19. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision
208.33 to read:

209.1 Subd. 13. **Prospective budgeting.** "Prospective budgeting" means estimating the
209.2 amount of monthly income a person will have in the payment month.

209.3 Sec. 20. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision
209.4 to read:

209.5 Subd. 14. **Qualified professional.** "Qualified professional" means an individual as
209.6 defined in section 256J.08, subdivision 73a, or Minnesota Rules, part 9530.6450, subpart
209.7 3, 4, or 5; or an individual approved by the director of human services or a designee
209.8 of the director.

209.9 Sec. 21. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision
209.10 to read:

209.11 Subd. 15. **Supportive housing.** "Supportive housing" means housing with support
209.12 services according to the continuum of care coordinated assessment system established
209.13 under Code of Federal Regulations, title 24, section 578.3.

209.14 Sec. 22. Minnesota Statutes 2014, section 256I.04, is amended to read:

209.15 **256I.04 ELIGIBILITY FOR GROUP RESIDENTIAL HOUSING PAYMENT.**

209.16 Subdivision 1. **Individual eligibility requirements.** An individual is eligible for
209.17 and entitled to a group residential housing payment to be made on the individual's behalf
209.18 if the agency has approved the individual's residence in a group residential housing setting
209.19 and the individual meets the requirements in paragraph (a) or (b).

209.20 (a) The individual is aged, blind, or is over 18 years of age and disabled as
209.21 determined under the criteria used by the title II program of the Social Security Act, and
209.22 meets the resource restrictions and standards of section 256P.02, and the individual's
209.23 countable income after deducting the (1) exclusions and disregards of the SSI program,
209.24 (2) the medical assistance personal needs allowance under section 256B.35, and (3) an
209.25 amount equal to the income actually made available to a community spouse by an elderly
209.26 waiver participant under the provisions of sections 256B.0575, paragraph (a), clause
209.27 (4), and 256B.058, subdivision 2, is less than the monthly rate specified in the agency's
209.28 agreement with the provider of group residential housing in which the individual resides.

209.29 (b) The individual meets a category of eligibility under section 256D.05, subdivision
209.30 1, paragraph (a), clauses (1), (3), (5) to (9), and (14), and paragraph (b), if applicable, and
209.31 the individual's resources are less than the standards specified by section 256P.02, and
209.32 the individual's countable income as determined under sections 256D.01 to 256D.21, less
209.33 the medical assistance personal needs allowance under section 256B.35 is less than the

210.1 monthly rate specified in the agency's agreement with the provider of group residential
210.2 housing in which the individual resides.

210.3 Subd. 1a. **County approval.** (a) A county agency may not approve a group
210.4 residential housing payment for an individual in any setting with a rate in excess of the
210.5 MSA equivalent rate for more than 30 days in a calendar year unless the ~~county agency~~
210.6 ~~has developed or approved~~ individual has a plan for the individual which specifies that:

210.7 (1) ~~the individual has an illness or incapacity which prevents the person from living~~
210.8 ~~independently in the community; and~~

210.9 (2) ~~the individual's illness or incapacity requires the services which are available in~~
210.10 ~~the group residence.~~

210.11 ~~The plan must be signed or countersigned by any of the following employees of the~~
210.12 ~~county of financial responsibility: the director of human services or a designee of the~~
210.13 ~~director; a social worker; or a case aide~~ professional certification under section 256I.03,
210.14 subdivision 12.

210.15 (b) If a county agency determines that an applicant is ineligible due to not meeting
210.16 eligibility requirements under this section, a county agency may accept a signed personal
210.17 statement from the applicant in lieu of documentation verifying ineligibility.

210.18 (c) Effective July 1, 2016, to be eligible for supplementary service payments,
210.19 providers must enroll in the provider enrollment system identified by the commissioner.

210.20 Subd. 1b. **Optional state supplements to SSI.** Group residential housing payments
210.21 made on behalf of persons eligible under subdivision 1, paragraph (a), are optional state
210.22 supplements to the SSI program.

210.23 Subd. 1c. **Interim assistance.** Group residential housing payments made on behalf
210.24 of persons eligible under subdivision 1, paragraph (b), are considered interim assistance
210.25 payments to applicants for the federal SSI program.

210.26 Subd. 2. **Date of eligibility.** An individual who has met the eligibility requirements
210.27 of subdivision 1, shall have a group residential housing payment made on the individual's
210.28 behalf from the first day of the month in which a signed application form is received by
210.29 a county agency, or the first day of the month in which all eligibility factors have been
210.30 met, whichever is later.

210.31 Subd. 2a. **License required; staffing qualifications.** ~~A county~~ (a) Except
210.32 as provided in paragraph (b), an agency may not enter into an agreement with an
210.33 establishment to provide group residential housing unless:

210.34 (1) the establishment is licensed by the Department of Health as a hotel and
210.35 restaurant; a board and lodging establishment; ~~a residential care home;~~ a boarding care
210.36 home before March 1, 1985; or a supervised living facility, and the service provider

211.1 for residents of the facility is licensed under chapter 245A. However, an establishment
211.2 licensed by the Department of Health to provide lodging need not also be licensed to
211.3 provide board if meals are being supplied to residents under a contract with a food vendor
211.4 who is licensed by the Department of Health;

211.5 (2) the residence is: (i) licensed by the commissioner of human services under
211.6 Minnesota Rules, parts 9555.5050 to 9555.6265; (ii) certified by a county human services
211.7 agency prior to July 1, 1992, using the standards under Minnesota Rules, parts 9555.5050
211.8 to 9555.6265; (iii) a residence licensed by the commissioner under Minnesota Rules, parts
211.9 2960.0010 to 2960.0120, with a variance under section 245A.04, subdivision 9; or (iv)
211.10 licensed under section 245D.02, subdivision 4a, as a community residential setting by
211.11 the commissioner of human services; or

211.12 (3) the establishment is registered under chapter 144D and provides three meals a
211.13 day, or is an establishment voluntarily registered under section 144D.025 as a supportive
211.14 housing establishment; or

211.15 ~~(4) an establishment voluntarily registered under section 144D.025, other than~~
211.16 ~~a supportive housing establishment under clause (3), is not eligible to provide group~~
211.17 ~~residential housing.~~

211.18 (b) The requirements under clauses (1) to (4) paragraph (a) do not apply to
211.19 establishments exempt from state licensure because they are:

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

211.22 (2) a supportive housing establishment that has an approved habitability inspection
211.23 and an individual lease agreement and that serves people who have experienced long-term
211.24 homelessness and were referred through a coordinated assessment in section 256I.03,
211.25 subdivision 15.

211.26 (c) Supportive housing establishments and emergency shelters must participate in
211.27 the homeless management information system.

211.28 (d) Effective July 1, 2016, an agency shall not have an agreement with a provider
211.29 of group residential housing or supplementary services unless all staff members who
211.30 have direct contact with recipients:

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

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

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

211.35 (iii) experience as a certified peer specialist according to section 256B.0615; or

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

212.3 (2) hold a current Minnesota driver's license appropriate to the vehicle driven
212.4 if transporting recipients;

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

212.7 (4) complete group residential housing orientation training offered by the
212.8 commissioner.

212.9 Subd. 2b. **Group residential housing agreements.** (a) Agreements between
212.10 county agencies and providers of group residential housing must be in writing on a
212.11 form developed and approved by the commissioner and must specify the name and
212.12 address under which the establishment subject to the agreement does business and under
212.13 which the establishment, or service provider, if different from the group residential
212.14 housing establishment, is licensed by the Department of Health or the Department of
212.15 Human Services; the specific license or registration from the Department of Health or the
212.16 Department of Human Services held by the provider and the number of beds subject to
212.17 that license; the address of the location or locations at which group residential housing is
212.18 provided under this agreement; the per diem and monthly rates that are to be paid from
212.19 group residential housing funds for each eligible resident at each location; the number
212.20 of beds at each location which are subject to the group residential housing agreement;
212.21 whether the license holder is a not-for-profit corporation under section 501(c)(3) of the
212.22 Internal Revenue Code; and a statement that the agreement is subject to the provisions of
212.23 sections 256I.01 to 256I.06 and subject to any changes to those sections.

212.24 (b) Providers are required to verify the following minimum requirements in the
212.25 agreement:

212.26 (1) current license or registration, including authorization if managing or monitoring
212.27 medications;

212.28 (2) all staff who have direct contact with recipients meet the staff qualifications;

212.29 (3) the provision of group residential housing;

212.30 (4) the provision of supplementary services, if applicable;

212.31 (5) reports of adverse events, including recipient death or serious injury; and

212.32 (6) submission of residency requirements that could result in recipient eviction.

212.33 Group residential housing (c) Agreements may be terminated with or without cause by
212.34 either the county commissioner, the agency, or the provider with two calendar months prior
212.35 notice. The commissioner may immediately terminate an agreement under subdivision 2d.

213.1 Subd. 2c. **Crisis shelters Background study requirements.** ~~Secure crisis shelters~~
213.2 ~~for battered women and their children designated by the Minnesota Department of~~
213.3 ~~Corrections are not group residences under this chapter.~~ (a) Effective July 1, 2016, a
213.4 provider of group residential housing or supplementary services must initiate background
213.5 studies in accordance with chapter 245C of the following individuals:

213.6 (1) controlling individuals as defined in section 245A.02;

213.7 (2) managerial officials as defined in section 245A.02; and

213.8 (3) all employees and volunteers of the establishment who have direct contact
213.9 with recipients, or who have unsupervised access to recipients, their personal property,
213.10 or their private data.

213.11 (b) The provider of group residential housing or supplementary services must
213.12 maintain compliance with all requirements established for entities initiating background
213.13 studies under chapter 245C.

213.14 (c) Effective July 1, 2017, a provider of group residential housing or supplementary
213.15 services must demonstrate that all individuals required to have a background study
213.16 according to paragraph (a) have a notice stating either that:

213.17 (1) the individual is not disqualified under section 245C.14; or

213.18 (2) the individual is disqualified, but the individual has been issued a set-aside of
213.19 the disqualification for that setting under section 245C.22.

213.20 Subd. 2d. **Conditions of payment; commissioner's right to suspend or terminate**

213.21 **agreement.** (a) Group residential housing or supplementary services must be provided
213.22 to the satisfaction of the commissioner, as determined at the sole discretion of the
213.23 commissioner's authorized representative, and in accordance with all applicable federal,
213.24 state, and local laws, ordinances, rules, and regulations, including business registration
213.25 requirements of the Office of the Secretary of State. A provider shall not receive payment
213.26 for services or housing found by the commissioner to be performed or provided in
213.27 violation of federal, state, or local law, ordinance, rule, or regulation.

213.28 (b) The commissioner has the right to suspend or terminate the agreement
213.29 immediately when the commissioner determines the health or welfare of the housing or
213.30 service recipients is endangered, or when the commissioner has reasonable cause to believe
213.31 that the provider has breached a material term of the agreement under subdivision 2b.

213.32 (c) Notwithstanding paragraph (b), if the commissioner learns of a curable material
213.33 breach of the agreement by the provider, the commissioner shall provide the provider
213.34 with a written notice of the breach and allow ten days to cure the breach. If the provider
213.35 does not cure the breach within the time allowed, the provider shall be in default of the
213.36 agreement and the commissioner may terminate the agreement immediately thereafter. If

214.1 the provider has breached a material term of the agreement and cure is not possible, the
214.2 commissioner may immediately terminate the agreement.

214.3 Subd. 2e. **Providers holding health or human services licenses.** (a) Except
214.4 for facilities with only a board and lodging license, when group residential housing or
214.5 supplementary service staff are also operating under a license issued by the Department of
214.6 Health or the Department of Human Services, the minimum staff qualification requirements
214.7 for the setting shall be the qualifications listed under the related licensing standards.

214.8 (b) A background study completed for the licensed service must also satisfy the
214.9 background study requirements under this section, if the provider has established the
214.10 background study contact person according to chapter 245C and as directed by the
214.11 Department of Human Services.

214.12 Subd. 2f. **Required services.** In licensed and registered settings under subdivision
214.13 2a, providers shall ensure that participants have at a minimum:

214.14 (1) food preparation and service for three nutritional meals a day on site;

214.15 (2) a bed, clothing storage, linen, bedding, laundering, and laundry supplies or
214.16 service;

214.17 (3) housekeeping, including cleaning and lavatory supplies or service; and

214.18 (4) maintenance and operation of the building and grounds, including heat, water,
214.19 garbage removal, electricity, telephone for the site, cooling, supplies, and parts and tools
214.20 to repair and maintain equipment and facilities.

214.21 Subd. 2g. **Crisis shelters.** Secure crisis shelters for battered women and their
214.22 children designated by the Minnesota Department of Corrections are not group residences
214.23 under this chapter.

214.24 Subd. 3. **Moratorium on development of group residential housing beds.** (a)
214.25 County Agencies shall not enter into agreements for new group residential housing beds
214.26 with total rates in excess of the MSA equivalent rate except:

214.27 (1) for group residential housing establishments licensed under Minnesota Rules,
214.28 parts 9525.0215 to 9525.0355, provided the facility is needed to meet the census reduction
214.29 targets for persons with developmental disabilities at regional treatment centers;

214.30 (2) up to 80 beds in a single, specialized facility located in Hennepin County that will
214.31 provide housing for chronic inebriates who are repetitive users of detoxification centers
214.32 and are refused placement in emergency shelters because of their state of intoxication,
214.33 and planning for the specialized facility must have been initiated before July 1, 1991,
214.34 in anticipation of receiving a grant from the Housing Finance Agency under section
214.35 462A.05, subdivision 20a, paragraph (b);

215.1 (3) notwithstanding the provisions of subdivision 2a, for up to 190 supportive
215.2 housing units in Anoka, Dakota, Hennepin, or Ramsey County for homeless adults with a
215.3 mental illness, a history of substance abuse, or human immunodeficiency virus or acquired
215.4 immunodeficiency syndrome. For purposes of this section, "homeless adult" means a
215.5 person who is living on the street or in a shelter or discharged from a regional treatment
215.6 center, community hospital, or residential treatment program and has no appropriate
215.7 housing available and lacks the resources and support necessary to access appropriate
215.8 housing. At least 70 percent of the supportive housing units must serve homeless adults
215.9 with mental illness, substance abuse problems, or human immunodeficiency virus or
215.10 acquired immunodeficiency syndrome who are about to be or, within the previous six
215.11 months, has been discharged from a regional treatment center, or a state-contracted
215.12 psychiatric bed in a community hospital, or a residential mental health or chemical
215.13 dependency treatment program. If a person meets the requirements of subdivision 1,
215.14 paragraph (a), and receives a federal or state housing subsidy, the group residential housing
215.15 rate for that person is limited to the supplementary rate under section 256I.05, subdivision
215.16 1a, and is determined by subtracting the amount of the person's countable income that
215.17 exceeds the MSA equivalent rate from the group residential housing supplementary rate.
215.18 A resident in a demonstration project site who no longer participates in the demonstration
215.19 program shall retain eligibility for a group residential housing payment in an amount
215.20 determined under section 256I.06, subdivision 8, using the MSA equivalent rate. Service
215.21 funding under section 256I.05, subdivision 1a, will end June 30, 1997, if federal matching
215.22 funds are available and the services can be provided through a managed care entity. If
215.23 federal matching funds are not available, then service funding will continue under section
215.24 256I.05, subdivision 1a;

215.25 (4) for an additional two beds, resulting in a total of 32 beds, for a facility located in
215.26 Hennepin County providing services for recovering and chemically dependent men that
215.27 has had a group residential housing contract with the county and has been licensed as a
215.28 board and lodge facility with special services since 1980;

215.29 (5) for a group residential housing provider located in the city of St. Cloud, or a county
215.30 contiguous to the city of St. Cloud, that operates a 40-bed facility, that received financing
215.31 through the Minnesota Housing Finance Agency Ending Long-Term Homelessness
215.32 Initiative and serves chemically dependent clientele, providing 24-hour-a-day supervision;

215.33 (6) for a new 65-bed facility in Crow Wing County that will serve chemically
215.34 dependent persons, operated by a group residential housing provider that currently
215.35 operates a 304-bed facility in Minneapolis, and a 44-bed facility in Duluth;

216.1 (7) for a group residential housing provider that operates two ten-bed facilities, one
216.2 located in Hennepin County and one located in Ramsey County, that provide community
216.3 support and 24-hour-a-day supervision to serve the mental health needs of individuals
216.4 who have chronically lived unsheltered; and

216.5 (8) for a group residential facility in Hennepin County with a capacity of up to 48
216.6 beds that has been licensed since 1978 as a board and lodging facility and that until August
216.7 1, 2007, operated as a licensed chemical dependency treatment program.

216.8 (b) ~~A county~~ An agency may enter into a group residential housing agreement for
216.9 beds with rates in excess of the MSA equivalent rate in addition to those currently covered
216.10 under a group residential housing agreement if the additional beds are only a replacement
216.11 of beds with rates in excess of the MSA equivalent rate which have been made available
216.12 due to closure of a setting, a change of licensure or certification which removes the beds
216.13 from group residential housing payment, or as a result of the downsizing of a group
216.14 residential housing setting. The transfer of available beds from one ~~county~~ agency to
216.15 another can only occur by the agreement of both ~~counties~~ agencies.

216.16 Subd. 4. **Rental assistance.** For participants in the Minnesota supportive housing
216.17 demonstration program under subdivision 3, paragraph (a), clause (5), notwithstanding
216.18 the provisions of section 256I.06, subdivision 8, the amount of the group residential
216.19 housing payment for room and board must be calculated by subtracting 30 percent of the
216.20 recipient's adjusted income as defined by the United States Department of Housing and
216.21 Urban Development for the Section 8 program from the fair market rent established for the
216.22 recipient's living unit by the federal Department of Housing and Urban Development. This
216.23 payment shall be regarded as a state housing subsidy for the purposes of subdivision 3.
216.24 Notwithstanding the provisions of section 256I.06, subdivision 6, the recipient's countable
216.25 income will only be adjusted when a change of greater than \$100 in a month occurs or
216.26 upon annual redetermination of eligibility, whichever is sooner. ~~The commissioner is~~
216.27 ~~directed to study the feasibility of developing a rental assistance program to serve persons~~
216.28 ~~traditionally served in group residential housing settings and report to the legislature by~~
216.29 ~~February 15, 1999.~~

216.30 **EFFECTIVE DATE.** Subdivision 1, paragraph (b), is effective September 1, 2015.

216.31 Sec. 23. Minnesota Statutes 2014, section 256I.05, subdivision 1c, is amended to read:

216.32 Subd. 1c. **Rate increases.** ~~A county~~ An agency may not increase the rates
216.33 negotiated for group residential housing above those in effect on June 30, 1993, except as
216.34 provided in paragraphs (a) to (f).

217.1 (a) ~~A county~~ An agency may increase the rates for group residential housing settings
217.2 to the MSA equivalent rate for those settings whose current rate is below the MSA
217.3 equivalent rate.

217.4 (b) ~~A county~~ An agency may increase the rates for residents in adult foster care
217.5 whose difficulty of care has increased. The total group residential housing rate for these
217.6 residents must not exceed the maximum rate specified in subdivisions 1 and 1a. ~~County~~
217.7 Agencies must not include nor increase group residential housing difficulty of care rates
217.8 for adults in foster care whose difficulty of care is eligible for funding by home and
217.9 community-based waiver programs under title XIX of the Social Security Act.

217.10 (c) The room and board rates will be increased each year when the MSA equivalent
217.11 rate is adjusted for SSI cost-of-living increases by the amount of the annual SSI increase,
217.12 less the amount of the increase in the medical assistance personal needs allowance under
217.13 section 256B.35.

217.14 (d) When a group residential housing rate is used to pay for an individual's room
217.15 and board, or other costs necessary to provide room and board, the rate payable to
217.16 the residence must continue for up to 18 calendar days per incident that the person is
217.17 temporarily absent from the residence, not to exceed 60 days in a calendar year, if the
217.18 absence or absences have received the prior approval of the county agency's social service
217.19 staff. Prior approval is not required for emergency absences due to crisis, illness, or injury.

217.20 (e) For facilities meeting substantial change criteria within the prior year. Substantial
217.21 change criteria exists if the group residential housing establishment experiences a 25
217.22 percent increase or decrease in the total number of its beds, if the net cost of capital
217.23 additions or improvements is in excess of 15 percent of the current market value of the
217.24 residence, or if the residence physically moves, or changes its licensure, and incurs a
217.25 resulting increase in operation and property costs.

217.26 (f) Until June 30, 1994, ~~a county~~ an agency may increase by up to five percent the
217.27 total rate paid for recipients of assistance under sections 256D.01 to 256D.21 or 256D.33
217.28 to 256D.54 who reside in residences that are licensed by the commissioner of health as
217.29 a boarding care home, but are not certified for the purposes of the medical assistance
217.30 program. However, an increase under this clause must not exceed an amount equivalent to
217.31 65 percent of the 1991 medical assistance reimbursement rate for nursing home resident
217.32 class A, in the geographic grouping in which the facility is located, as established under
217.33 Minnesota Rules, parts 9549.0050 to 9549.0058.

217.34 Sec. 24. Minnesota Statutes 2014, section 256I.05, subdivision 1g, is amended to read:

218.1 Subd. 1g. **Supplementary service rate for certain facilities.** ~~On or after July 1,~~
218.2 ~~2005, a county~~ An agency may negotiate a supplementary service rate for recipients of
218.3 assistance under section 256I.04, subdivision 1, paragraph (a) or (b), who relocate from a
218.4 homeless shelter licensed and registered prior to December 31, 1996, by the Minnesota
218.5 Department of Health under section 157.17, to have experienced long-term homelessness
218.6 and who live in a supportive housing establishment developed and funded in whole or in
218.7 part with funds provided specifically as part of the plan to end long-term homelessness
218.8 required under Laws 2003, chapter 128, article 15, section 9, not to exceed \$456.75 under
218.9 section 256I.04, subdivision 2a, paragraph (b), clause (2).

218.10 Sec. 25. Minnesota Statutes 2014, section 256I.06, subdivision 2, is amended to read:

218.11 Subd. 2. **Time of payment.** A county agency may make payments to a group
218.12 residence in advance for an individual whose stay in the group residence is expected
218.13 to last beyond the calendar month for which the payment is made ~~and who does not~~
218.14 ~~expect to receive countable earned income during the month for which the payment is~~
218.15 ~~made.~~ Group residential housing payments made by a county agency on behalf of an
218.16 individual who is not expected to remain in the group residence beyond the month for
218.17 which payment is made must be made subsequent to the individual's departure from the
218.18 group residence. ~~Group residential housing payments made by a county agency on behalf~~
218.19 ~~of an individual with countable earned income must be made subsequent to receipt of a~~
218.20 ~~monthly household report form.~~

218.21 **EFFECTIVE DATE.** This section is effective April 1, 2016.

218.22 Sec. 26. Minnesota Statutes 2014, section 256I.06, subdivision 6, is amended to read:

218.23 Subd. 6. **Reports.** Recipients must report changes in circumstances that affect
218.24 eligibility or group residential housing payment amounts, other than changes in earned
218.25 income, within ten days of the change. Recipients with countable earned income must
218.26 complete a ~~monthly~~ household report form at least once every six months. If the report
218.27 form is not received before the end of the month in which it is due, the county agency
218.28 must terminate eligibility for group residential housing payments. The termination shall
218.29 be effective on the first day of the month following the month in which the report was due.
218.30 If a complete report is received within the month eligibility was terminated, the individual
218.31 is considered to have continued an application for group residential housing payment
218.32 effective the first day of the month the eligibility was terminated.

218.33 **EFFECTIVE DATE.** This section is effective April 1, 2016.

219.1 Sec. 27. Minnesota Statutes 2014, section 256I.06, subdivision 7, is amended to read:

219.2 Subd. 7. **Determination of rates.** The agency in the county in which a group
219.3 residence is located ~~will~~ shall determine the amount of group residential housing rate to
219.4 be paid on behalf of an individual in the group residence regardless of the individual's
219.5 ~~county~~ agency of financial responsibility.

219.6 Sec. 28. Minnesota Statutes 2014, section 256I.06, subdivision 8, is amended to read:

219.7 Subd. 8. **Amount of group residential housing payment.** (a) The amount of
219.8 a group residential housing payment to be made on behalf of an eligible individual is
219.9 determined by subtracting the individual's countable income under section 256I.04,
219.10 subdivision 1, for a whole calendar month from the group residential housing charge for
219.11 that same month. The group residential housing charge is determined by multiplying the
219.12 group residential housing rate times the period of time the individual was a resident or
219.13 temporarily absent under section 256I.05, subdivision 1c, paragraph (d).

219.14 (b) For an individual with earned income under paragraph (a), prospective budgeting
219.15 must be used to determine the amount of the individual's payment for the following
219.16 six-month period. An increase in income shall not affect an individual's eligibility or
219.17 payment amount until the month following the reporting month. A decrease in income shall
219.18 be effective the first day of the month after the month in which the decrease is reported.

219.19 **EFFECTIVE DATE.** Paragraph (b) is effective April 1, 2016.

219.20 Sec. 29. Minnesota Statutes 2014, section 256K.45, subdivision 1a, is amended to read:

219.21 Subd. 1a. **Definitions.** (a) The definitions in this subdivision apply to this section.

219.22 (b) "Commissioner" means the commissioner of human services.

219.23 (c) "Homeless youth" means a person ~~21~~ 24 years of age or younger who is
219.24 unaccompanied by a parent or guardian and is without shelter where appropriate care and
219.25 supervision are available, whose parent or legal guardian is unable or unwilling to provide
219.26 shelter and care, or who lacks a fixed, regular, and adequate nighttime residence. The
219.27 following are not fixed, regular, or adequate nighttime residences:

219.28 (1) a supervised publicly or privately operated shelter designed to provide temporary
219.29 living accommodations;

219.30 (2) an institution or a publicly or privately operated shelter designed to provide
219.31 temporary living accommodations;

219.32 (3) transitional housing;

219.33 (4) a temporary placement with a peer, friend, or family member that has not offered
219.34 permanent residence, a residential lease, or temporary lodging for more than 30 days; or

220.1 (5) a public or private place not designed for, nor ordinarily used as, a regular
220.2 sleeping accommodation for human beings.

220.3 Homeless youth does not include persons incarcerated or otherwise detained under
220.4 federal or state law.

220.5 (d) "Youth at risk of homelessness" means a person ~~21~~ 24 years of age or younger
220.6 whose status or circumstances indicate a significant danger of experiencing homelessness
220.7 in the near future. Status or circumstances that indicate a significant danger may include:
220.8 (1) youth exiting out-of-home placements; (2) youth who previously were homeless; (3)
220.9 youth whose parents or primary caregivers are or were previously homeless; (4) youth
220.10 who are exposed to abuse and neglect in their homes; (5) youth who experience conflict
220.11 with parents due to chemical or alcohol dependency, mental health disabilities, or other
220.12 disabilities; and (6) runaways.

220.13 (e) "Runaway" means an unmarried child under the age of 18 years who is absent
220.14 from the home of a parent or guardian or other lawful placement without the consent of
220.15 the parent, guardian, or lawful custodian.

220.16 Sec. 30. **[256M.41] CHILD PROTECTION GRANT ALLOCATION.**

220.17 **Subdivision 1. Formula for county staffing funds.** The commissioner shall allocate
220.18 state funds appropriated under this section to each county board on a calendar year basis
220.19 in an amount determined according to the following formula:

220.20 (1) 25 percent must be distributed on the basis of the number of screened-out
220.21 reports of child maltreatment under sections 626.556 and 626.5561, and in the county as
220.22 determined by the most recent data of the commissioner;

220.23 (2) 25 percent must be distributed on the basis of the number of screened-in
220.24 reports of child maltreatment under sections 626.556 and 626.5561, and in the county as
220.25 determined by the most recent data of the commissioner; and

220.26 (3) 50 percent must be distributed on the basis of the number of open child
220.27 protection case management cases in the county as determined by the most recent data of
220.28 the commissioner.

220.29 **Subd. 2. Prohibition on supplanting existing funds.** Funds received under this
220.30 section must be used to address staffing for child protection or expand child protection
220.31 services. Funds must not be used to supplant current county expenditures for these
220.32 purposes.

220.33 **Subd. 3. Payments based on performance.** (a) The commissioner shall make
220.34 payments under this section to each county board on a calendar year basis in an amount
220.35 determined under paragraph (b).

221.1 (b) Calendar year allocations under subdivision 1 shall be paid to counties in the
221.2 following manner:

221.3 (1) 80 percent of the allocation as determined in subdivision 1 must be paid to
221.4 counties on or before July 10 of each year;

221.5 (2) ten percent of the allocation shall be withheld until the commissioner determines
221.6 if the county has met the performance outcome threshold of 90 percent based on
221.7 face-to-face contact with alleged child victims. In order to receive the performance
221.8 allocation, the county child protection workers must have a timely face-to-face contact
221.9 with at least 90 percent of all alleged child victims of screened-in maltreatment reports.
221.10 The standard requires that each initial face-to-face contact occur consistent with timelines
221.11 defined in section 626.556, subdivision 10, paragraph (i). The commissioner shall make
221.12 threshold determinations in January of each year and payments to counties meeting the
221.13 performance outcome threshold shall occur in February of each year. Any withheld funds
221.14 from this appropriation for counties that do not meet this requirement shall be reallocated
221.15 by the commissioner to those counties meeting the requirement; and

221.16 (3) ten percent of the allocation shall be withheld until the commissioner determines
221.17 that the county has met the performance outcome threshold of 90 percent based on
221.18 face-to-face visits by the case manager. In order to receive the performance allocation, the
221.19 total number of visits made by caseworkers on a monthly basis to children in foster care
221.20 and children receiving child protection services while residing in their home must be at
221.21 least 90 percent of the total number of such visits that would occur if every child were
221.22 visited once per month. The commissioner shall make such determinations in January
221.23 of each year and payments to counties meeting the performance outcome threshold
221.24 shall occur in February of each year. Any withheld funds from this appropriation for
221.25 counties that do not meet this requirement shall be reallocated by the commissioner to
221.26 those counties meeting the requirement.

221.27 (c) The commissioner shall work with stakeholders and the Human Services
221.28 Performance Council under section 402A.16 to develop recommendations for specific
221.29 outcome measures that counties should meet in order to receive funds withheld under
221.30 paragraph (b), and include in those recommendations a determination as to whether
221.31 the performance measures under paragraph (b) should be modified or phased out. The
221.32 commissioner shall report the recommendations to the legislative committees having
221.33 jurisdiction over child protection issues by January 1, 2018.

221.34 Sec. 31. Minnesota Statutes 2014, section 256N.22, subdivision 9, is amended to read:

222.1 Subd. 9. **Death or incapacity of relative custodian or ~~dissolution~~ modification**
222.2 **of custody.** The Northstar kinship assistance agreement ends upon death or ~~dissolution~~
222.3 incapacity of the relative custodian or modification of the order for permanent legal and
222.4 physical custody of both relative custodians in the case of assignment of custody to two
222.5 individuals, or the sole relative custodian in the case of assignment of custody to one
222.6 individual in which legal or physical custody is removed from the relative custodian.
222.7 In the case of a relative custodian's death or incapacity, Northstar kinship assistance
222.8 eligibility may be continued according to subdivision 10.

222.9 Sec. 32. Minnesota Statutes 2014, section 256N.22, subdivision 10, is amended to read:

222.10 Subd. 10. **Assigning a successor relative custodian for a child's Northstar**
222.11 **kinship assistance to a court-appointed guardian or custodian.** (a) Northstar kinship
222.12 ~~assistance may be continued with the written consent of the commissioner to~~ In the event
222.13 of the death or incapacity of the relative custodian, eligibility for Northstar kinship
222.14 assistance and title IV-E assistance, if applicable, is not affected if the relative custodian
222.15 is replaced by a successor named in the Northstar kinship assistance benefit agreement.
222.16 Northstar kinship assistance shall be paid to a named successor who is not the child's
222.17 legal parent, biological parent, or stepparent, or other adult living in the home of the
222.18 legal parent, biological parent, or stepparent.

222.19 (b) In order to receive Northstar kinship assistance, a named successor must:

222.20 (1) meet the background study requirements in subdivision 4;

222.21 (2) renegotiate the agreement consistent with section 256N.25, subdivision 2,
222.22 including cooperating with an assessment under section 256N.24;

222.23 (3) be ordered by the court to be the child's legal relative custodian in a modification
222.24 proceeding under section 260C.521, subdivision 2; and

222.25 (4) satisfy the requirements in this paragraph within one year of the relative
222.26 custodian's death or incapacity unless the commissioner certifies that the named successor
222.27 made reasonable attempts to satisfy the requirements within one year and failure to satisfy
222.28 the requirements was not the responsibility of the named successor.

222.29 (c) Payment of Northstar kinship assistance to the successor guardian may be
222.30 temporarily approved through the policies, procedures, requirements, and deadlines under
222.31 section 256N.28, subdivision 2. Ongoing payment shall begin in the month when all the
222.32 requirements in paragraph (b) are satisfied.

222.33 (d) Continued payment of Northstar kinship assistance may occur in the event of the
222.34 death or incapacity of the relative custodian when no successor has been named in the
222.35 benefit agreement when the commissioner gives written consent to an individual who is a

223.1 guardian or custodian appointed by a court for the child upon the death of both relative
223.2 custodians in the case of assignment of custody to two individuals, or the sole relative
223.3 custodian in the case of assignment of custody to one individual, unless the child is under
223.4 the custody of a county, tribal, or child-placing agency.

223.5 ~~(b)~~ (e) Temporary assignment of Northstar kinship assistance may be approved
223.6 for a maximum of six consecutive months from the death or incapacity of the relative
223.7 custodian or custodians as provided in paragraph (a) and must adhere to the policies and,
223.8 procedures, requirements, and deadlines under section 256N.28, subdivision 2, that are
223.9 prescribed by the commissioner. If a court has not appointed a permanent legal guardian
223.10 or custodian within six months, the Northstar kinship assistance must terminate and must
223.11 not be resumed.

223.12 ~~(e)~~ (f) Upon assignment of assistance payments under ~~this subdivision~~ paragraphs
223.13 (d) and (e), assistance must be provided from funds other than title IV-E.

223.14 Sec. 33. Minnesota Statutes 2014, section 256N.24, subdivision 4, is amended to read:

223.15 Subd. 4. **Extraordinary levels.** (a) The assessment tool established under
223.16 subdivision 2 must provide a mechanism through which up to five levels can be added
223.17 to the supplemental difficulty of care for a particular child under section 256N.26,
223.18 subdivision 4. In establishing the assessment tool, the commissioner must design the tool
223.19 so that the levels applicable to the portions of the assessment other than the extraordinary
223.20 levels can accommodate the requirements of this subdivision.

223.21 (b) These extraordinary levels are available when all of the following circumstances
223.22 apply:

223.23 (1) the child has extraordinary needs as determined by the assessment tool provided
223.24 for under subdivision 2, and the child meets other requirements established by the
223.25 commissioner, such as a minimum score on the assessment tool;

223.26 (2) the child's extraordinary needs require extraordinary care and intense supervision
223.27 that is provided by the child's caregiver as part of the parental duties as described in the
223.28 supplemental difficulty of care rate, section 256N.02, subdivision 21. This extraordinary
223.29 care provided by the caregiver is required so that the child can be safely cared for in the
223.30 home and community, and prevents residential placement;

223.31 (3) the child is physically living in a foster family setting, as defined in Minnesota
223.32 Rules, part 2960.3010, subpart 23, in a foster residence setting, or physically living in the
223.33 home with the adoptive parent or relative custodian; and

223.34 (4) the child is receiving the services for which the child is eligible through medical
223.35 assistance programs or other programs that provide necessary services for children with

224.1 disabilities or other medical and behavioral conditions to live with the child's family, but
224.2 the agency with caregiver's input has identified a specific support gap that cannot be met
224.3 through home and community support waivers or other programs that are designed to
224.4 provide support for children with special needs.

224.5 (c) The agency completing an assessment, under subdivision 2, that suggests an
224.6 extraordinary level must document as part of the assessment, the following:

224.7 (1) the assessment tool that determined that the child's needs or disabilities require
224.8 extraordinary care and intense supervision;

224.9 (2) a summary of the extraordinary care and intense supervision that is provided by
224.10 the caregiver as part of the parental duties as described in the supplemental difficulty of
224.11 care rate, section 256N.02, subdivision 21;

224.12 (3) confirmation that the child is currently physically residing in the foster family
224.13 setting or in the home with the adoptive parent or relative custodian;

224.14 (4) the efforts of the agency, caregiver, parents, and others to request support services
224.15 in the home and community that would ease the degree of parental duties provided by the
224.16 caregiver for the care and supervision of the child. This would include documentation of
224.17 the services provided for the child's needs or disabilities, and the services that were denied
224.18 or not available from the local social service agency, community agency, the local school
224.19 district, local public health department, the parent, or child's medical insurance provider;

224.20 (5) the specific support gap identified that places the child's safety and well-being at
224.21 risk in the home or community and is necessary to prevent residential placement; and

224.22 (6) the extraordinary care and intense supervision provided by the foster, adoptive,
224.23 or guardianship caregivers to maintain the child safely in the child's home and prevent
224.24 residential placement that cannot be supported by medical assistance or other programs
224.25 that provide services, necessary care for children with disabilities, or other medical or
224.26 behavioral conditions in the home or community.

224.27 (d) An agency completing an assessment under subdivision 2 that suggests
224.28 an extraordinary level is appropriate must forward the assessment and required
224.29 documentation to the commissioner. If the commissioner approves, the extraordinary
224.30 levels must be retroactive to the date the assessment was forwarded.

224.31 Sec. 34. Minnesota Statutes 2014, section 256N.25, subdivision 1, is amended to read:

224.32 Subdivision 1. **Agreement; Northstar kinship assistance; adoption assistance.** (a)
224.33 In order to receive Northstar kinship assistance or adoption assistance benefits on behalf
224.34 of an eligible child, a written, binding agreement between the caregiver or caregivers,
224.35 the financially responsible agency, or, if there is no financially responsible agency, the

225.1 agency designated by the commissioner, and the commissioner must be established prior
225.2 to finalization of the adoption or a transfer of permanent legal and physical custody. The
225.3 agreement must be negotiated with the caregiver or caregivers under subdivision 2 and
225.4 renegotiated under subdivision 3, if applicable.

225.5 (b) The agreement must be on a form approved by the commissioner and must
225.6 specify the following:

225.7 (1) duration of the agreement;

225.8 (2) the nature and amount of any payment, services, and assistance to be provided
225.9 under such agreement;

225.10 (3) the child's eligibility for Medicaid services;

225.11 (4) the terms of the payment, including any child care portion as specified in section
225.12 256N.24, subdivision 3;

225.13 (5) eligibility for reimbursement of nonrecurring expenses associated with adopting
225.14 or obtaining permanent legal and physical custody of the child, to the extent that the
225.15 total cost does not exceed \$2,000 per child;

225.16 (6) that the agreement must remain in effect regardless of the state of which the
225.17 adoptive parents or relative custodians are residents at any given time;

225.18 (7) provisions for modification of the terms of the agreement, including renegotiation
225.19 of the agreement; ~~and~~

225.20 (8) the effective date of the agreement; and

225.21 (9) the successor relative custodian or custodians for Northstar kinship assistance,
225.22 when applicable. The successor relative custodian or custodians may be added or changed
225.23 by mutual agreement under subdivision 3.

225.24 (c) The caregivers, the commissioner, and the financially responsible agency, or, if
225.25 there is no financially responsible agency, the agency designated by the commissioner, must
225.26 sign the agreement. A copy of the signed agreement must be given to each party. Once
225.27 signed by all parties, the commissioner shall maintain the official record of the agreement.

225.28 (d) The effective date of the Northstar kinship assistance agreement must be the date
225.29 of the court order that transfers permanent legal and physical custody to the relative. The
225.30 effective date of the adoption assistance agreement is the date of the finalized adoption
225.31 decree.

225.32 (e) Termination or disruption of the preadoptive placement or the foster care
225.33 placement prior to assignment of custody makes the agreement with that caregiver void.

225.34 Sec. 35. Minnesota Statutes 2014, section 256N.27, subdivision 2, is amended to read:

226.1 Subd. 2. **State share.** The commissioner shall pay the state share of the maintenance
226.2 payments as determined under subdivision 4, and an identical share of the pre-Northstar
226.3 Care foster care program under section 260C.4411, subdivision 1, the relative custody
226.4 assistance program under section 257.85, and the pre-Northstar Care for Children adoption
226.5 assistance program under chapter 259A. ~~The commissioner may transfer funds into the~~
226.6 ~~account if a deficit occurs.~~

226.7 Sec. 36. Minnesota Statutes 2014, section 257.75, subdivision 3, is amended to read:

226.8 Subd. 3. **Effect of recognition.** (a) Subject to subdivision 2 and section 257.55,
226.9 subdivision 1, paragraph (g) or (h), the recognition has the force and effect of a judgment or
226.10 order determining the existence of the parent and child relationship under section 257.66. If
226.11 the conditions in section 257.55, subdivision 1, paragraph (g) or (h), exist, the recognition
226.12 creates only a presumption of paternity for purposes of sections 257.51 to 257.74. Once a
226.13 recognition has been properly executed and filed with the state registrar of vital statistics,
226.14 if there are no competing presumptions of paternity, a judicial or administrative court may
226.15 not allow further action to determine parentage regarding the signator of the recognition.
226.16 An action to determine custody and parenting time may be commenced pursuant to
226.17 chapter 518 without an adjudication of parentage. Until an a temporary or permanent
226.18 order is entered granting custody to another, the mother has sole custody.

226.19 (b) Following commencement of an action to determine custody or parenting time
226.20 under chapter 518, the court may, pursuant to section 518.131, grant temporary parenting
226.21 time rights and temporary custody to either parent.

226.22 (c) The recognition is:

226.23 (1) a basis for bringing an action for the following:

226.24 (i) to award temporary custody or parenting time pursuant to section 518.131;

226.25 (ii) to award permanent custody or parenting time to either parent;

226.26 (iii) establishing a child support obligation which may include up to the two years
226.27 immediately preceding the commencement of the action;

226.28 (iv) ordering a contribution by a parent under section 256.87, or;

226.29 (v) ordering a contribution to the reasonable expenses of the mother's pregnancy and
226.30 confinement, as provided under section 257.66, subdivision 3; or

226.31 (vi) ordering reimbursement for the costs of blood or genetic testing, as provided
226.32 under section 257.69, subdivision 2;

226.33 (2) determinative for all other purposes related to the existence of the parent and
226.34 child relationship; and

226.35 (3) entitled to full faith and credit in other jurisdictions.

227.1 Sec. 37. Minnesota Statutes 2014, section 257.75, subdivision 5, is amended to read:

227.2 Subd. 5. **Recognition form.** (a) The commissioner of human services shall prepare
227.3 a form for the recognition of parentage under this section. In preparing the form, the
227.4 commissioner shall consult with the individuals specified in subdivision 6. The recognition
227.5 form must be drafted so that the force and effect of the recognition, the alternatives to
227.6 executing a recognition, and the benefits and responsibilities of establishing paternity, and
227.7 the limitations of the recognition of parentage for purposes of exercising and enforcing
227.8 custody or parenting time are clear and understandable. The form must include a notice
227.9 regarding the finality of a recognition and the revocation procedure under subdivision
227.10 2. The form must include a provision for each parent to verify that the parent has read
227.11 or viewed the educational materials prepared by the commissioner of human services
227.12 describing the recognition of paternity. The individual providing the form to the parents
227.13 for execution shall provide oral notice of the rights, responsibilities, and alternatives to
227.14 executing the recognition. Notice may be provided by audiotape, videotape, or similar
227.15 means. Each parent must receive a copy of the recognition.

227.16 (b) The form must include the following:

227.17 (1) a notice regarding the finality of a recognition and the revocation procedure
227.18 under subdivision 2;

227.19 (2) a notice, in large print, that the recognition does not establish an enforceable right
227.20 to legal custody, physical custody, or parenting time until such rights are awarded pursuant
227.21 to a court action to establish custody and parenting time;

227.22 (3) a notice stating that when a court awards custody and parenting time under
227.23 chapter 518, there is no presumption for or against joint physical custody, except when
227.24 domestic abuse, as defined in section 518B.01, subdivision 2, paragraph (a), has occurred
227.25 between the parties;

227.26 (4) a notice that the recognition of parentage is a basis for:

227.27 (i) bringing a court action to award temporary or permanent custody or parenting time;

227.28 (ii) establishing a child support obligation that may include the two years

227.29 immediately preceding the commencement of the action;

227.30 (iii) ordering a contribution by a parent under section 256.87;

227.31 (iv) ordering a contribution to the reasonable expenses of the mother's pregnancy
227.32 and confinement, as provided under section 257.66, subdivision 3; and

227.33 (v) ordering reimbursement for the costs of blood or genetic testing, as provided
227.34 under section 257.69, subdivision 2; and

228.1 (5) a provision for each parent to verify that the parent has read or viewed the
228.2 educational materials prepared by the commissioner of human services describing the
228.3 recognition of paternity.

228.4 (c) The individual providing the form to the parents for execution shall provide oral
228.5 notice of the rights, responsibilities, and alternatives to executing the recognition. Notice
228.6 may be provided in audio or video format, or by other similar means. Each parent must
228.7 receive a copy of the recognition.

228.8 Sec. 38. Minnesota Statutes 2014, section 259A.75, is amended to read:

228.9 **259A.75 REIMBURSEMENT OF CERTAIN AGENCY COSTS; PURCHASE**
228.10 **OF SERVICE CONTRACTS AND TRIBAL CUSTOMARY ADOPTIONS.**

228.11 Subdivision 1. **General information.** (a) Subject to the procedures required by
228.12 the commissioner and the provisions of this section, a Minnesota county ~~or tribal social~~
228.13 ~~services agency~~ shall receive a reimbursement from the commissioner equal to 100 percent
228.14 of the reasonable and appropriate cost for contracted adoption placement services identified
228.15 for a specific child that are not reimbursed under other federal or state funding sources.

228.16 (b) The commissioner may spend up to \$16,000 for each purchase of service
228.17 contract. Only one contract per child per adoptive placement is permitted. Funds
228.18 encumbered and obligated under the contract for the child remain available until the terms
228.19 of the contract are fulfilled or the contract is terminated.

228.20 (c) The commissioner shall set aside an amount not to exceed five percent of the
228.21 total amount of the fiscal year appropriation from the state for the adoption assistance
228.22 program to reimburse a Minnesota county or tribal social services placing agencies agency
228.23 for child-specific adoption placement services. When adoption assistance payments for
228.24 children's needs exceed 95 percent of the total amount of the fiscal year appropriation from
228.25 the state for the adoption assistance program, the amount of reimbursement available to
228.26 placing agencies for adoption services is reduced correspondingly.

228.27 Subd. 2. **Purchase of service contract child eligibility criteria.** (a) A child who is
228.28 the subject of a purchase of service contract must:

228.29 (1) have the goal of adoption, which may include an adoption in accordance with
228.30 tribal law;

228.31 (2) be under the guardianship of the commissioner of human services or be a ward of
228.32 tribal court pursuant to section 260.755, subdivision 20; and

228.33 (3) meet all of the special needs criteria according to section 259A.10, subdivision 2.

229.1 (b) A child under the guardianship of the commissioner must have an identified
229.2 adoptive parent and a fully executed adoption placement agreement according to section
229.3 260C.613, subdivision 1, paragraph (a).

229.4 Subd. 3. **Agency eligibility criteria.** (a) A Minnesota county ~~or tribal~~ social
229.5 services agency shall receive reimbursement for child-specific adoption placement
229.6 services for an eligible child that it purchases from a private adoption agency licensed in
229.7 Minnesota or any other state or tribal social services agency.

229.8 (b) Reimbursement for adoption services is available only for services provided
229.9 prior to the date of the adoption decree.

229.10 Subd. 4. **Application and eligibility determination.** (a) A county ~~or tribal~~ social
229.11 services agency may request reimbursement of costs for adoption placement services by
229.12 submitting a complete purchase of service application, according to the requirements and
229.13 procedures and on forms prescribed by the commissioner.

229.14 (b) The commissioner shall determine eligibility for reimbursement of adoption
229.15 placement services. If determined eligible, the commissioner of human services shall
229.16 sign the purchase of service agreement, making this a fully executed contract. No
229.17 reimbursement under this section shall be made to an agency for services provided prior to
229.18 the fully executed contract.

229.19 (c) Separate purchase of service agreements shall be made, and separate records
229.20 maintained, on each child. Only one agreement per child per adoptive placement is
229.21 permitted. For siblings who are placed together, services shall be planned and provided to
229.22 best maximize efficiency of the contracted hours.

229.23 Subd. 5. **Reimbursement process.** (a) The agency providing adoption services is
229.24 responsible to track and record all service activity, including billable hours, on a form
229.25 prescribed by the commissioner. The agency shall submit this form to the state for
229.26 reimbursement after services have been completed.

229.27 (b) The commissioner shall make the final determination whether or not the
229.28 requested reimbursement costs are reasonable and appropriate and if the services have
229.29 been completed according to the terms of the purchase of service agreement.

229.30 Subd. 6. **Retention of purchase of service records.** Agencies entering into
229.31 purchase of service contracts shall keep a copy of the agreements, service records, and all
229.32 applicable billing and invoicing according to the department's record retention schedule.
229.33 Agency records shall be provided upon request by the commissioner.

229.34 Subd. 7. **Tribal customary adoptions.** (a) The commissioner shall enter into
229.35 grant contracts with Minnesota tribal social services agencies to provide child-specific

230.1 recruitment and adoption placement services for Indian children under the jurisdiction
230.2 of tribal court.

230.3 (b) Children served under these grant contracts must meet the child eligibility
230.4 criteria in subdivision 2.

230.5 Sec. 39. Minnesota Statutes 2014, section 260C.007, subdivision 27, is amended to read:

230.6 Subd. 27. **Relative.** "Relative" means a person related to the child by blood,
230.7 marriage, or adoption; the legal parent, guardian, or custodian of the child's siblings; or an
230.8 individual who is an important friend with whom the child has resided or had significant
230.9 contact. For an Indian child, relative includes members of the extended family as defined
230.10 by the law or custom of the Indian child's tribe or, in the absence of law or custom, nieces,
230.11 nephews, or first or second cousins, as provided in the Indian Child Welfare Act of 1978,
230.12 United States Code, title 25, section 1903.

230.13 Sec. 40. Minnesota Statutes 2014, section 260C.007, subdivision 32, is amended to read:

230.14 Subd. 32. **Sibling.** "Sibling" means one of two or more individuals who have one or
230.15 both parents in common through blood, marriage, or adoption; ~~including.~~ This includes
230.16 siblings as defined by the child's tribal code or custom. Sibling also includes an individual
230.17 who would have been considered a sibling but for a termination of parental rights of one
230.18 or both parents, suspension of parental rights under tribal code, or other disruption of
230.19 parental rights such as the death of a parent.

230.20 Sec. 41. Minnesota Statutes 2014, section 260C.203, is amended to read:

230.21 **260C.203 ADMINISTRATIVE OR COURT REVIEW OF PLACEMENTS.**

230.22 (a) Unless the court is conducting the reviews required under section 260C.202,
230.23 there shall be an administrative review of the out-of-home placement plan of each child
230.24 placed in foster care no later than 180 days after the initial placement of the child in foster
230.25 care and at least every six months thereafter if the child is not returned to the home of the
230.26 parent or parents within that time. The out-of-home placement plan must be monitored and
230.27 updated at each administrative review. The administrative review shall be conducted by
230.28 the responsible social services agency using a panel of appropriate persons at least one of
230.29 whom is not responsible for the case management of, or the delivery of services to, either
230.30 the child or the parents who are the subject of the review. The administrative review shall
230.31 be open to participation by the parent or guardian of the child and the child, as appropriate.

230.32 (b) As an alternative to the administrative review required in paragraph (a), the court
230.33 may, as part of any hearing required under the Minnesota Rules of Juvenile Protection

231.1 Procedure, conduct a hearing to monitor and update the out-of-home placement plan
231.2 pursuant to the procedure and standard in section 260C.201, subdivision 6, paragraph
231.3 (d). The party requesting review of the out-of-home placement plan shall give parties to
231.4 the proceeding notice of the request to review and update the out-of-home placement
231.5 plan. A court review conducted pursuant to section 260C.141, subdivision 2; 260C.193;
231.6 260C.201, subdivision 1; 260C.202; 260C.204; 260C.317; or 260D.06 shall satisfy the
231.7 requirement for the review so long as the other requirements of this section are met.

231.8 (c) As appropriate to the stage of the proceedings and relevant court orders, the
231.9 responsible social services agency or the court shall review:

231.10 (1) the safety, permanency needs, and well-being of the child;

231.11 (2) the continuing necessity for and appropriateness of the placement;

231.12 (3) the extent of compliance with the out-of-home placement plan;

231.13 (4) the extent of progress that has been made toward alleviating or mitigating the
231.14 causes necessitating placement in foster care;

231.15 (5) the projected date by which the child may be returned to and safely maintained in
231.16 the home or placed permanently away from the care of the parent or parents or guardian; and

231.17 (6) the appropriateness of the services provided to the child.

231.18 (d) When a child is age ~~16~~ 14 or older, in addition to any administrative review
231.19 conducted by the agency, at the in-court review required under section 260C.317,
231.20 subdivision 3, clause (3), or 260C.515, subdivision 5 or 6, the court shall review the
231.21 independent living plan required under section 260C.212, subdivision 1, paragraph (c),
231.22 clause ~~(11)~~ (12), and the provision of services to the child related to the well-being of
231.23 the child as the child prepares to leave foster care. The review shall include the actual
231.24 plans related to each item in the plan necessary to the child's future safety and well-being
231.25 when the child is no longer in foster care.

231.26 (e) At the court review required under paragraph (d) for a child age ~~16~~ 14 or older,
231.27 the following procedures apply:

231.28 (1) six months before the child is expected to be discharged from foster care, the
231.29 responsible social services agency shall give the written notice required under section
231.30 260C.451, subdivision 1, regarding the right to continued access to services for certain
231.31 children in foster care past age 18 and of the right to appeal a denial of social services
231.32 under section 256.045. The agency shall file a copy of the notice, including the right to
231.33 appeal a denial of social services, with the court. If the agency does not file the notice by
231.34 the time the child is age 17-1/2, the court shall require the agency to give it;

231.35 (2) consistent with the requirements of the independent living plan, the court shall
231.36 review progress toward or accomplishment of the following goals:

- 232.1 (i) the child has obtained a high school diploma or its equivalent;
- 232.2 (ii) the child has completed a driver's education course or has demonstrated the
232.3 ability to use public transportation in the child's community;
- 232.4 (iii) the child is employed or enrolled in postsecondary education;
- 232.5 (iv) the child has applied for and obtained postsecondary education financial aid for
232.6 which the child is eligible;
- 232.7 (v) the child has health care coverage and health care providers to meet the child's
232.8 physical and mental health needs;
- 232.9 (vi) the child has applied for and obtained disability income assistance for which
232.10 the child is eligible;
- 232.11 (vii) the child has obtained affordable housing with necessary supports, which does
232.12 not include a homeless shelter;
- 232.13 (viii) the child has saved sufficient funds to pay for the first month's rent and a
232.14 damage deposit;
- 232.15 (ix) the child has an alternative affordable housing plan, which does not include a
232.16 homeless shelter, if the original housing plan is unworkable;
- 232.17 (x) the child, if male, has registered for the Selective Service; and
- 232.18 (xi) the child has a permanent connection to a caring adult; and
- 232.19 (3) the court shall ensure that the responsible agency in conjunction with the
232.20 placement provider assists the child in obtaining the following documents prior to the
232.21 child's leaving foster care: a Social Security card; the child's birth certificate; a state
232.22 identification card or driver's license, tribal enrollment identification card, green card, or
232.23 school visa; the child's school, medical, and dental records; a contact list of the child's
232.24 medical, dental, and mental health providers; and contact information for the child's
232.25 siblings, if the siblings are in foster care.
- 232.26 (f) For a child who will be discharged from foster care at age 18 or older, the
232.27 responsible social services agency is required to develop a personalized transition plan as
232.28 directed by the youth. The transition plan must be developed during the 90-day period
232.29 immediately prior to the expected date of discharge. The transition plan must be as
232.30 detailed as the child may elect and include specific options on housing, health insurance,
232.31 education, local opportunities for mentors and continuing support services, and work force
232.32 supports and employment services. The agency shall ensure that the youth receives, at
232.33 no cost to the youth, a copy of the youth's consumer credit report as defined in section
232.34 13C.001 and assistance in interpreting and resolving any inaccuracies in the report. The
232.35 plan must include information on the importance of designating another individual to
232.36 make health care treatment decisions on behalf of the child if the child becomes unable

233.1 to participate in these decisions and the child does not have, or does not want, a relative
233.2 who would otherwise be authorized to make these decisions. The plan must provide the
233.3 child with the option to execute a health care directive as provided under chapter 145C.
233.4 The agency shall also provide the youth with appropriate contact information if the youth
233.5 needs more information or needs help dealing with a crisis situation through age 21.

233.6 Sec. 42. Minnesota Statutes 2014, section 260C.212, subdivision 1, is amended to read:

233.7 Subdivision 1. **Out-of-home placement; plan.** (a) An out-of-home placement plan
233.8 shall be prepared within 30 days after any child is placed in foster care by court order or a
233.9 voluntary placement agreement between the responsible social services agency and the
233.10 child's parent pursuant to section 260C.227 or chapter 260D.

233.11 (b) An out-of-home placement plan means a written document which is prepared
233.12 by the responsible social services agency jointly with the parent or parents or guardian
233.13 of the child and in consultation with the child's guardian ad litem, the child's tribe, if the
233.14 child is an Indian child, the child's foster parent or representative of the foster care facility,
233.15 and, where appropriate, the child. When a child is age 14 or older, the child may include
233.16 two other individuals on the team preparing the child's out-of-home placement plan. For
233.17 a child in voluntary foster care for treatment under chapter 260D, preparation of the
233.18 out-of-home placement plan shall additionally include the child's mental health treatment
233.19 provider. As appropriate, the plan shall be:

233.20 (1) submitted to the court for approval under section 260C.178, subdivision 7;

233.21 (2) ordered by the court, either as presented or modified after hearing, under section
233.22 260C.178, subdivision 7, or 260C.201, subdivision 6; and

233.23 (3) signed by the parent or parents or guardian of the child, the child's guardian ad
233.24 litem, a representative of the child's tribe, the responsible social services agency, and, if
233.25 possible, the child.

233.26 (c) The out-of-home placement plan shall be explained to all persons involved in its
233.27 implementation, including the child who has signed the plan, and shall set forth:

233.28 (1) a description of the foster care home or facility selected, including how the
233.29 out-of-home placement plan is designed to achieve a safe placement for the child in the
233.30 least restrictive, most family-like, setting available which is in close proximity to the home
233.31 of the parent or parents or guardian of the child when the case plan goal is reunification,
233.32 and how the placement is consistent with the best interests and special needs of the child
233.33 according to the factors under subdivision 2, paragraph (b);

233.34 (2) the specific reasons for the placement of the child in foster care, and when
233.35 reunification is the plan, a description of the problems or conditions in the home of the

234.1 parent or parents which necessitated removal of the child from home and the changes the
234.2 parent or parents must make in order for the child to safely return home;

234.3 (3) a description of the services offered and provided to prevent removal of the child
234.4 from the home and to reunify the family including:

234.5 (i) the specific actions to be taken by the parent or parents of the child to eliminate
234.6 or correct the problems or conditions identified in clause (2), and the time period during
234.7 which the actions are to be taken; and

234.8 (ii) the reasonable efforts, or in the case of an Indian child, active efforts to be made
234.9 to achieve a safe and stable home for the child including social and other supportive
234.10 services to be provided or offered to the parent or parents or guardian of the child, the
234.11 child, and the residential facility during the period the child is in the residential facility;

234.12 (4) a description of any services or resources that were requested by the child or the
234.13 child's parent, guardian, foster parent, or custodian since the date of the child's placement
234.14 in the residential facility, and whether those services or resources were provided and if
234.15 not, the basis for the denial of the services or resources;

234.16 (5) the visitation plan for the parent or parents or guardian, other relatives as defined
234.17 in section 260C.007, subdivision 27, and siblings of the child if the siblings are not placed
234.18 together in foster care, and whether visitation is consistent with the best interest of the
234.19 child, during the period the child is in foster care;

234.20 (6) when a child cannot return to or be in the care of either parent, documentation
234.21 of steps to finalize adoption as the permanency plan for the child, ~~including: (i) through~~
234.22 reasonable efforts to place the child for adoption. At a minimum, the documentation must
234.23 include consideration of whether adoption is in the best interests of the child, child-specific
234.24 recruitment efforts such as relative search and the use of state, regional, and national
234.25 adoption exchanges to facilitate orderly and timely placements in and outside of the state.
234.26 A copy of this documentation shall be provided to the court in the review required under
234.27 section 260C.317, subdivision 3, paragraph (b); ~~and~~

234.28 ~~(ii) documentation necessary to support the requirements of the kinship placement~~
234.29 ~~agreement under section 256N.22 when adoption is determined not to be in the child's~~
234.30 ~~best interests;~~ (7) when a child cannot return to or be in the care of either parent,
234.31 documentation of steps to finalize the transfer of permanent legal and physical custody
234.32 to a relative as the permanency plan for the child. This documentation must support the
234.33 requirements of the kinship placement agreement under section 256N.22 and must include
234.34 the reasonable efforts used to determine that it is not appropriate for the child to return
234.35 home or be adopted, and reasons why permanent placement with a relative through a
234.36 Northstar kinship assistance arrangement is in the child's best interest; how the child meets

235.1 the eligibility requirements for Northstar kinship assistance payments; agency efforts to
235.2 discuss adoption with the child's relative foster parent and reasons why the relative foster
235.3 parent chose not to pursue adoption, if applicable; and agency efforts to discuss with the
235.4 child's parent or parents the permanent transfer of permanent legal and physical custody or
235.5 the reasons why these efforts were not made;

235.6 ~~(7)~~ (8) efforts to ensure the child's educational stability while in foster care, including:

235.7 (i) efforts to ensure that the child remains in the same school in which the child was
235.8 enrolled prior to placement or upon the child's move from one placement to another,
235.9 including efforts to work with the local education authorities to ensure the child's
235.10 educational stability; or

235.11 (ii) if it is not in the child's best interest to remain in the same school that the child
235.12 was enrolled in prior to placement or move from one placement to another, efforts to
235.13 ensure immediate and appropriate enrollment for the child in a new school;

235.14 ~~(8)~~ (9) the educational records of the child including the most recent information
235.15 available regarding:

235.16 (i) the names and addresses of the child's educational providers;

235.17 (ii) the child's grade level performance;

235.18 (iii) the child's school record;

235.19 (iv) a statement about how the child's placement in foster care takes into account
235.20 proximity to the school in which the child is enrolled at the time of placement; and

235.21 (v) any other relevant educational information;

235.22 ~~(9)~~ (10) the efforts by the local agency to ensure the oversight and continuity of
235.23 health care services for the foster child, including:

235.24 (i) the plan to schedule the child's initial health screens;

235.25 (ii) how the child's known medical problems and identified needs from the screens,
235.26 including any known communicable diseases, as defined in section 144.4172, subdivision
235.27 2, will be monitored and treated while the child is in foster care;

235.28 (iii) how the child's medical information will be updated and shared, including
235.29 the child's immunizations;

235.30 (iv) who is responsible to coordinate and respond to the child's health care needs,
235.31 including the role of the parent, the agency, and the foster parent;

235.32 (v) who is responsible for oversight of the child's prescription medications;

235.33 (vi) how physicians or other appropriate medical and nonmedical professionals
235.34 will be consulted and involved in assessing the health and well-being of the child and
235.35 determine the appropriate medical treatment for the child; and

236.1 (vii) the responsibility to ensure that the child has access to medical care through
236.2 either medical insurance or medical assistance;

236.3 ~~(10)~~ (11) the health records of the child including information available regarding:

236.4 (i) the names and addresses of the child's health care and dental care providers;

236.5 (ii) a record of the child's immunizations;

236.6 (iii) the child's known medical problems, including any known communicable
236.7 diseases as defined in section 144.4172, subdivision 2;

236.8 (iv) the child's medications; and

236.9 (v) any other relevant health care information such as the child's eligibility for
236.10 medical insurance or medical assistance;

236.11 ~~(11)~~ (12) an independent living plan for a child age ~~16~~ 14 or older. The plan should
236.12 include, but not be limited to, the following objectives:

236.13 (i) educational, vocational, or employment planning;

236.14 (ii) health care planning and medical coverage;

236.15 (iii) transportation including, where appropriate, assisting the child in obtaining a
236.16 driver's license;

236.17 (iv) money management, including the responsibility of the agency to ensure that
236.18 the youth annually receives, at no cost to the youth, a consumer report as defined under
236.19 section 13C.001 and assistance in interpreting and resolving any inaccuracies in the report;

236.20 (v) planning for housing;

236.21 (vi) social and recreational skills; ~~and~~

236.22 (vii) establishing and maintaining connections with the child's family and
236.23 community; and

236.24 (viii) regular opportunities to engage in age-appropriate or developmentally
236.25 appropriate activities typical for the child's age group, taking into consideration the
236.26 capacities of the individual child; and

236.27 ~~(12)~~ (13) for a child in voluntary foster care for treatment under chapter 260D,
236.28 diagnostic and assessment information, specific services relating to meeting the mental
236.29 health care needs of the child, and treatment outcomes.

236.30 (d) The parent or parents or guardian and the child each shall have the right to legal
236.31 counsel in the preparation of the case plan and shall be informed of the right at the time
236.32 of placement of the child. The child shall also have the right to a guardian ad litem.
236.33 If unable to employ counsel from their own resources, the court shall appoint counsel
236.34 upon the request of the parent or parents or the child or the child's legal guardian. The
236.35 parent or parents may also receive assistance from any person or social services agency
236.36 in preparation of the case plan.

237.1 After the plan has been agreed upon by the parties involved or approved or ordered
237.2 by the court, the foster parents shall be fully informed of the provisions of the case plan
237.3 and shall be provided a copy of the plan.

237.4 Upon discharge from foster care, the parent, adoptive parent, or permanent legal and
237.5 physical custodian, as appropriate, and the child, if appropriate, must be provided with
237.6 a current copy of the child's health and education record.

237.7 Sec. 43. Minnesota Statutes 2014, section 260C.212, is amended by adding a
237.8 subdivision to read:

237.9 Subd. 13. **Protecting missing and runaway children and youth at risk of sex**
237.10 **trafficking.** (a) The local social services agency shall expeditiously locate any child
237.11 missing from foster care.

237.12 (b) The local social services agency shall report immediately, but no later than
237.13 24 hours, after receiving information on a missing or abducted child to the local law
237.14 enforcement agency for entry into the National Crime Information Center (NCIC)
237.15 database of the Federal Bureau of Investigation, and to the National Center for Missing
237.16 and Exploited Children.

237.17 (c) The local social services agency shall not discharge a child from foster care or
237.18 close the social services case until diligent efforts have been exhausted to locate the child
237.19 and the court terminates the agency's jurisdiction.

237.20 (d) The local social services agency shall determine the primary factors that
237.21 contributed to the child's running away or otherwise being absent from care and, to
237.22 the extent possible and appropriate, respond to those factors in current and subsequent
237.23 placements.

237.24 (e) The local social services agency shall determine what the child experienced
237.25 while absent from care, including screening the child to determine if the child is a possible
237.26 sex trafficking victim as defined in section 609.321, subdivision 7b.

237.27 (f) The local social services agency shall report immediately, but no later than 24
237.28 hours, to the local law enforcement agency any reasonable cause to believe a child is, or is
237.29 at risk of being, a sex trafficking victim.

237.30 (g) The local social services agency shall determine appropriate services as described
237.31 in section 145.4717 with respect to any child for whom the local social services agency has
237.32 responsibility for placement, care, or supervision when the local social services agency
237.33 has reasonable cause to believe the child is, or is at risk of being, a sex trafficking victim.

238.1 Sec. 44. Minnesota Statutes 2014, section 260C.212, is amended by adding a
238.2 subdivision to read:

238.3 Subd. 14. **Support normalcy for foster children.** Responsible social services
238.4 agencies and child-placing agencies shall support a foster child's emotional and
238.5 developmental growth by permitting the child to participate in activities or events that
238.6 are generally accepted as suitable for children of the same chronological age or are
238.7 developmentally appropriate for the child. Foster parents and residential facility staff
238.8 are permitted to allow foster children to participate in extracurricular, social, or cultural
238.9 activities that are typical for the child's age by applying reasonable and prudent parenting
238.10 standards. Reasonable and prudent parenting standards are characterized by careful and
238.11 sensible parenting decisions that maintain the child's health and safety, and are made in
238.12 the child's best interest.

238.13 Sec. 45. Minnesota Statutes 2014, section 260C.331, subdivision 1, is amended to read:

238.14 Subdivision 1. **Care, examination, or treatment.** (a) Except where parental rights
238.15 are terminated,

238.16 (1) whenever legal custody of a child is transferred by the court to a responsible
238.17 social services agency,

238.18 (2) whenever legal custody is transferred to a person other than the responsible social
238.19 services agency, but under the supervision of the responsible social services agency, or

238.20 (3) whenever a child is given physical or mental examinations or treatment under
238.21 order of the court, and no provision is otherwise made by law for payment for the care,
238.22 examination, or treatment of the child, these costs are a charge upon the welfare funds of
238.23 the county in which proceedings are held upon certification of the judge of juvenile court.

238.24 (b) The court shall order, and the responsible social services agency shall require,
238.25 the parents or custodian of a child, while the child is under the age of 18, to use the
238.26 total income and resources attributable to the child for the period of care, examination,
238.27 or treatment, except for clothing and personal needs allowance as provided in section
238.28 256B.35, to reimburse the county for the cost of care, examination, or treatment. Income
238.29 and resources attributable to the child include, but are not limited to, Social Security
238.30 benefits, Supplemental Security Income (SSI), veterans benefits, railroad retirement
238.31 benefits and child support. When the child is over the age of 18, and continues to receive
238.32 care, examination, or treatment, the court shall order, and the responsible social services
238.33 agency shall require, reimbursement from the child for the cost of care, examination, or
238.34 treatment from the income and resources attributable to the child less the clothing and
238.35 personal needs allowance. Income does not include earnings from a child over the age of

239.1 18 who is working as part of a plan under section 260C.212, subdivision 1, paragraph (c),
239.2 clause ~~(11)~~ (12), to transition from foster care, or the income and resources from sources
239.3 other than Supplemental Security Income and child support that are needed to complete
239.4 the requirements listed in section 260C.203.

239.5 (c) If the income and resources attributable to the child are not enough to reimburse
239.6 the county for the full cost of the care, examination, or treatment, the court shall inquire
239.7 into the ability of the parents to support the child and, after giving the parents a reasonable
239.8 opportunity to be heard, the court shall order, and the responsible social services agency
239.9 shall require, the parents to contribute to the cost of care, examination, or treatment of
239.10 the child. When determining the amount to be contributed by the parents, the court shall
239.11 use a fee schedule based upon ability to pay that is established by the responsible social
239.12 services agency and approved by the commissioner of human services. The income of
239.13 a stepparent who has not adopted a child shall be excluded in calculating the parental
239.14 contribution under this section.

239.15 (d) The court shall order the amount of reimbursement attributable to the parents
239.16 or custodian, or attributable to the child, or attributable to both sources, withheld under
239.17 chapter 518A from the income of the parents or the custodian of the child. A parent or
239.18 custodian who fails to pay without good reason may be proceeded against for contempt, or
239.19 the court may inform the county attorney, who shall proceed to collect the unpaid sums,
239.20 or both procedures may be used.

239.21 (e) If the court orders a physical or mental examination for a child, the examination
239.22 is a medically necessary service for purposes of determining whether the service is
239.23 covered by a health insurance policy, health maintenance contract, or other health
239.24 coverage plan. Court-ordered treatment shall be subject to policy, contract, or plan
239.25 requirements for medical necessity. Nothing in this paragraph changes or eliminates
239.26 benefit limits, conditions of coverage, co-payments or deductibles, provider restrictions,
239.27 or other requirements in the policy, contract, or plan that relate to coverage of other
239.28 medically necessary services.

239.29 (f) Notwithstanding paragraph (b), (c), or (d), a parent, custodian, or guardian of the
239.30 child is not required to use income and resources attributable to the child to reimburse
239.31 the county for costs of care and is not required to contribute to the cost of care of the
239.32 child during any period of time when the child is returned to the home of that parent,
239.33 custodian, or guardian pursuant to a trial home visit under section 260C.201, subdivision
239.34 1, paragraph (a).

239.35 Sec. 46. Minnesota Statutes 2014, section 260C.451, subdivision 2, is amended to read:

240.1 Subd. 2. **Independent living plan.** Upon the request of any child in foster care
240.2 immediately prior to the child's 18th birthday and who is in foster care at the time
240.3 of the request, the responsible social services agency shall, in conjunction with the
240.4 child and other appropriate parties, update the independent living plan required under
240.5 section 260C.212, subdivision 1, paragraph (c), clause ~~(H)~~ (12), related to the child's
240.6 employment, vocational, educational, social, or maturational needs. The agency shall
240.7 provide continued services and foster care for the child including those services that are
240.8 necessary to implement the independent living plan.

240.9 Sec. 47. Minnesota Statutes 2014, section 260C.451, subdivision 6, is amended to read:

240.10 Subd. 6. **Reentering foster care and accessing services after age 18.** (a)
240.11 Upon request of an individual between the ages of 18 and 21 who had been under the
240.12 guardianship of the commissioner and who has left foster care without being adopted, the
240.13 responsible social services agency which had been the commissioner's agent for purposes
240.14 of the guardianship shall develop with the individual a plan to increase the individual's
240.15 ability to live safely and independently using the plan requirements of section 260C.212,
240.16 subdivision 1, paragraph ~~(b)~~ (c), clause ~~(H)~~ (12), and to assist the individual to meet
240.17 one or more of the eligibility criteria in subdivision 4 if the individual wants to reenter
240.18 foster care. The agency shall provide foster care as required to implement the plan. The
240.19 agency shall enter into a voluntary placement agreement under section 260C.229 with the
240.20 individual if the plan includes foster care.

240.21 (b) Individuals who had not been under the guardianship of the commissioner of
240.22 human services prior to age 18 and are between the ages of 18 and 21 may ask to reenter
240.23 foster care after age 18 and, to the extent funds are available, the responsible social
240.24 services agency that had responsibility for planning for the individual before discharge
240.25 from foster care may provide foster care or other services to the individual for the purpose
240.26 of increasing the individual's ability to live safely and independently and to meet the
240.27 eligibility criteria in subdivision 3a, if the individual:

240.28 (1) was in foster care for the six consecutive months prior to the person's 18th
240.29 birthday and was not discharged home, adopted, or received into a relative's home under a
240.30 transfer of permanent legal and physical custody under section 260C.515, subdivision 4; or

240.31 (2) was discharged from foster care while on runaway status after age 15.

240.32 (c) In conjunction with a qualifying and eligible individual under paragraph (b) and
240.33 other appropriate persons, the responsible social services agency shall develop a specific
240.34 plan related to that individual's vocational, educational, social, or maturational needs
240.35 and, to the extent funds are available, provide foster care as required to implement the

241.1 plan. The agency shall enter into a voluntary placement agreement with the individual
241.2 if the plan includes foster care.

241.3 (d) Youth who left foster care while under guardianship of the commissioner of
241.4 human services retain eligibility for foster care for placement at any time between the
241.5 ages of 18 and 21.

241.6 Sec. 48. Minnesota Statutes 2014, section 260C.515, subdivision 5, is amended to read:

241.7 Subd. 5. **Permanent custody to agency.** The court may order permanent custody to
241.8 the responsible social services agency for continued placement of the child in foster care
241.9 but only if it approves the responsible social services agency's compelling reasons that no
241.10 other permanency disposition order is in the child's best interests and:

241.11 (1) the child has reached age ~~12~~ 16 and has been asked about the child's desired
241.12 permanency outcome;

241.13 (2) the child is a sibling of a child described in clause (1) and the siblings have a
241.14 significant positive relationship and are ordered into the same foster home;

241.15 (3) the responsible social services agency has made reasonable efforts to locate and
241.16 place the child with an adoptive family or a fit and willing relative who would either agree
241.17 to adopt the child or to a transfer of permanent legal and physical custody of the child, but
241.18 these efforts have not proven successful; and

241.19 (4) the parent will continue to have visitation or contact with the child and will
241.20 remain involved in planning for the child.

241.21 Sec. 49. Minnesota Statutes 2014, section 260C.521, subdivision 1, is amended to read:

241.22 Subdivision 1. **Child in permanent custody of responsible social services agency.**

241.23 (a) Court reviews of an order for permanent custody to the responsible social services
241.24 agency for placement of the child in foster care must be conducted at least yearly at an
241.25 in-court appearance hearing.

241.26 (b) The purpose of the review hearing is to ensure:

241.27 (1) the order for permanent custody to the responsible social services agency for
241.28 placement of the child in foster care continues to be in the best interests of the child and
241.29 that no other permanency disposition order is in the best interests of the child;

241.30 (2) that the agency is assisting the child to build connections to the child's family
241.31 and community; and

241.32 (3) that the agency is appropriately planning with the child for development of
241.33 independent living skills for the child and, as appropriate, for the orderly and successful

242.1 transition to independent living that may occur if the child continues in foster care without
242.2 another permanency disposition order.

242.3 (c) The court must review the child's out-of-home placement plan and the reasonable
242.4 efforts of the agency to finalize an alternative permanent plan for the child including the
242.5 agency's efforts to:

242.6 (1) ensure that permanent custody to the agency with placement of the child in
242.7 foster care continues to be the most appropriate legal arrangement for meeting the child's
242.8 need for permanency and stability or, if not, to identify and attempt to finalize another
242.9 permanency disposition order under this chapter that would better serve the child's needs
242.10 and best interests;

242.11 (2) identify a specific foster home for the child, if one has not already been identified;

242.12 (3) support continued placement of the child in the identified home, if one has been
242.13 identified;

242.14 (4) ensure appropriate services are provided to address the physical health, mental
242.15 health, and educational needs of the child during the period of foster care and also ensure
242.16 appropriate services or assistance to maintain relationships with appropriate family
242.17 members and the child's community; and

242.18 (5) plan for the child's independence upon the child's leaving foster care living as
242.19 required under section 260C.212, subdivision 1.

242.20 (d) The court may find that the agency has made reasonable efforts to finalize the
242.21 permanent plan for the child when:

242.22 (1) the agency has made reasonable efforts to identify a more legally permanent
242.23 home for the child than is provided by an order for permanent custody to the agency
242.24 for placement in foster care; ~~and~~

242.25 (2) the child has been asked about the child's desired permanency outcome; and

242.26 ~~(2)~~ (3) the agency's engagement of the child in planning for independent living is
242.27 reasonable and appropriate.

242.28 Sec. 50. Minnesota Statutes 2014, section 260C.521, subdivision 2, is amended to read:

242.29 Subd. 2. **Modifying order for permanent legal and physical custody to a**
242.30 **relative.** (a) An order for a relative to have permanent legal and physical custody of a
242.31 child may be modified using standards under sections 518.18 and 518.185.

242.32 (b) If a relative named as permanent legal and physical custodian in an order made
242.33 under this chapter becomes incapacitated or dies, a successor custodian named in the
242.34 kinship placement agreement under section 256N.22, subdivision 2, may file a request
242.35 to modify the order for permanent legal and physical custody to name the successor

243.1 custodian as the permanent legal and physical custodian of the child. The court shall
243.2 modify the order to name the successor custodian as the permanent legal and physical
243.3 custodian upon reviewing the background study required under section 245C.33 if the
243.4 court finds the modification is in the child's best interests.

243.5 (c) The social services agency is a party to the proceeding and must receive notice.

243.6 Sec. 51. Minnesota Statutes 2014, section 260C.607, subdivision 4, is amended to read:

243.7 Subd. 4. **Content of review.** (a) The court shall review:

243.8 (1) the agency's reasonable efforts under section 260C.605 to finalize an adoption
243.9 for the child as appropriate to the stage of the case; and

243.10 (2) the child's current out-of-home placement plan required under section 260C.212,
243.11 subdivision 1, to ensure the child is receiving all services and supports required to meet
243.12 the child's needs as they relate to the child's:

243.13 (i) placement;

243.14 (ii) visitation and contact with siblings;

243.15 (iii) visitation and contact with relatives;

243.16 (iv) medical, mental, and dental health; and

243.17 (v) education.

243.18 (b) When the child is age ~~16~~ 14 and older, and as long as the child continues in foster
243.19 care, the court shall also review the agency's planning for the child's independent living
243.20 after leaving foster care including how the agency is meeting the requirements of section
243.21 260C.212, subdivision 1, paragraph (c), clause ~~(11)~~ (12). The court shall use the review
243.22 requirements of section 260C.203 in any review conducted under this paragraph.

243.23 Sec. 52. Minnesota Statutes 2014, section 518A.26, subdivision 14, is amended to read:

243.24 Subd. 14. **Obligor.** "Obligor" means a person obligated to pay maintenance or
243.25 support. ~~A person who has primary physical custody of a child is presumed not to be~~
243.26 ~~an obligor for purposes of a child support order under section 518A.34, unless section~~
243.27 ~~518A.36, subdivision 3, applies or the court makes specific written findings to overcome~~
243.28 ~~this presumption.~~ For purposes of ordering medical support under section 518A.41, a
243.29 parent who has primary physical custody of a child may be an obligor subject to a payment
243.30 agreement under section 518A.69.

243.31 Sec. 53. Minnesota Statutes 2014, section 518A.32, subdivision 2, is amended to read:

243.32 Subd. 2. **Methods.** Determination of potential income must be made according
243.33 to one of three methods, as appropriate:

244.1 (1) the parent's probable earnings level based on employment potential, recent
244.2 work history, and occupational qualifications in light of prevailing job opportunities and
244.3 earnings levels in the community;

244.4 (2) if a parent is receiving unemployment compensation or workers' compensation,
244.5 that parent's income may be calculated using the actual amount of the unemployment
244.6 compensation or workers' compensation benefit received; or

244.7 (3) the amount of income a parent could earn working ~~full-time~~ 30 hours per week at
244.8 ~~150~~ 100 percent of the current federal or state minimum wage, whichever is higher.

244.9 Sec. 54. Minnesota Statutes 2014, section 518A.39, subdivision 1, is amended to read:

244.10 Subdivision 1. **Authority.** After an order under this chapter or chapter 518 for
244.11 maintenance or support money, temporary or permanent, or for the appointment of trustees
244.12 to receive property awarded as maintenance or support money, the court may from time to
244.13 time, on motion of either of the parties, a copy of which is served on the public authority
244.14 responsible for child support enforcement if payments are made through it, or on motion
244.15 of the public authority responsible for support enforcement, modify the order respecting
244.16 the amount of maintenance or support money or medical support, and the payment of it,
244.17 and also respecting the appropriation and payment of the principal and income of property
244.18 held in trust, and may make an order respecting these matters which it might have made
244.19 in the original proceeding, except as herein otherwise provided. A party or the public
244.20 authority also may bring a motion for contempt of court if the obligor is in arrears in
244.21 support or maintenance payments.

244.22 Sec. 55. Minnesota Statutes 2014, section 518A.39, is amended by adding a
244.23 subdivision to read:

244.24 Subd. 8. **Medical support-only modification.** (a) The medical support terms of
244.25 a support order and determination of the child dependency tax credit may be modified
244.26 without modification of the full order for support or maintenance, if the order has been
244.27 established or modified in its entirety within three years from the date of the motion, and
244.28 upon a showing of one or more of the following:

244.29 (1) a change in the availability of appropriate health care coverage or a substantial
244.30 increase or decrease in health care coverage costs;

244.31 (2) a change in the eligibility for medical assistance under chapter 256B;

244.32 (3) a party's failure to carry court-ordered coverage, or to provide other medical
244.33 support as ordered;

245.1 (4) the federal child dependency tax credit is not ordered for the same parent who is
245.2 ordered to carry health care coverage; or

245.3 (5) the federal child dependency tax credit is not addressed in the order and the
245.4 noncustodial parent is ordered to carry health care coverage.

245.5 (b) For a motion brought under this subdivision, a modification of the medical
245.6 support terms of an order may be made retroactive only with respect to any period during
245.7 which the petitioning party has pending a motion for modification, but only from the date
245.8 of service of notice of the motion on the responding party and on the public authority if
245.9 public assistance is being furnished or the county attorney is the attorney of record.

245.10 (c) The court need not hold an evidentiary hearing on a motion brought under this
245.11 subdivision for modification of medical support only.

245.12 (d) Sections 518.14 and 518A.735 shall govern the award of attorney fees for
245.13 motions brought under this subdivision.

245.14 (e) The PICS originally stated in the order being modified shall be used to determine
245.15 the modified medical support order under section 518A.41 for motions brought under
245.16 this subdivision.

245.17 Sec. 56. Minnesota Statutes 2014, section 518A.41, subdivision 1, is amended to read:

245.18 Subdivision 1. **Definitions.** The definitions in this subdivision apply to this chapter
245.19 and chapter 518.

245.20 (a) "Health care coverage" means medical, dental, or other health care benefits that
245.21 are provided by one or more health plans. Health care coverage does not include any
245.22 form of public coverage.

245.23 (b) "Health carrier" means a carrier as defined in sections 62A.011, subdivision
245.24 2, and 62L.02, subdivision 16.

245.25 (c) "Health plan" means a plan, other than any form of public coverage, that provides
245.26 medical, dental, or other health care benefits and is:

245.27 (1) provided on an individual or group basis;

245.28 (2) provided by an employer or union;

245.29 (3) purchased in the private market; or

245.30 (4) available to a person eligible to carry insurance for the joint child, including a
245.31 party's spouse or parent.

245.32 Health plan includes, but is not limited to, a plan meeting the definition under section
245.33 62A.011, subdivision 3, except that the exclusion of coverage designed solely to provide
245.34 dental or vision care under section 62A.011, subdivision 3, clause (6), does not apply to
245.35 the definition of health plan under this section; a group health plan governed under the

246.1 federal Employee Retirement Income Security Act of 1974 (ERISA); a self-insured plan
246.2 under sections 43A.23 to 43A.317 and 471.617; and a policy, contract, or certificate issued
246.3 by a community-integrated service network licensed under chapter 62N.

246.4 (d) "Medical support" means providing health care coverage for a joint child by
246.5 carrying health care coverage for the joint child or by contributing to the cost of health
246.6 care coverage, public coverage, unreimbursed medical expenses, and uninsured medical
246.7 expenses of the joint child.

246.8 (e) "National medical support notice" means an administrative notice issued by the
246.9 public authority to enforce health insurance provisions of a support order in accordance
246.10 with Code of Federal Regulations, title 45, section 303.32, in cases where the public
246.11 authority provides support enforcement services.

246.12 (f) "Public coverage" means health care benefits provided by any form of medical
246.13 assistance under chapter 256B ~~or MinnesotaCare under chapter 256L~~. Public coverage
246.14 does not include MinnesotaCare or federally tax-subsidized medical plans.

246.15 (g) "Uninsured medical expenses" means a joint child's reasonable and necessary
246.16 health-related expenses if the joint child is not covered by a health plan or public coverage
246.17 when the expenses are incurred.

246.18 (h) "Unreimbursed medical expenses" means a joint child's reasonable and necessary
246.19 health-related expenses if a joint child is covered by a health plan or public coverage and
246.20 the plan or coverage does not pay for the total cost of the expenses when the expenses
246.21 are incurred. Unreimbursed medical expenses do not include the cost of premiums.
246.22 Unreimbursed medical expenses include, but are not limited to, deductibles, co-payments,
246.23 and expenses for orthodontia, and prescription eyeglasses and contact lenses, but not
246.24 over-the-counter medications if coverage is under a health plan.

246.25 Sec. 57. Minnesota Statutes 2014, section 518A.41, subdivision 3, is amended to read:

246.26 Subd. 3. **Determining appropriate health care coverage.** In determining whether
246.27 a parent has appropriate health care coverage for the joint child, the court must consider
246.28 the following factors:

246.29 (1) comprehensiveness of health care coverage providing medical benefits.

246.30 Dependent health care coverage providing medical benefits is presumed comprehensive if
246.31 it includes medical and hospital coverage and provides for preventive, emergency, acute,
246.32 and chronic care; or if it meets the minimum essential coverage definition in United States
246.33 Code, title 26, section 5000A(f). If both parents have health care coverage providing
246.34 medical benefits that is presumed comprehensive under this paragraph, the court must

247.1 determine which parent's coverage is more comprehensive by considering what other
247.2 benefits are included in the coverage;

247.3 (2) accessibility. Dependent health care coverage is accessible if the covered joint
247.4 child can obtain services from a health plan provider with reasonable effort by the parent
247.5 with whom the joint child resides. Health care coverage is presumed accessible if:

247.6 (i) primary care is available within 30 minutes or 30 miles of the joint child's residence
247.7 and specialty care is available within 60 minutes or 60 miles of the joint child's residence;

247.8 (ii) the health care coverage is available through an employer and the employee can
247.9 be expected to remain employed for a reasonable amount of time; and

247.10 (iii) no preexisting conditions exist to unduly delay enrollment in health care
247.11 coverage;

247.12 (3) the joint child's special medical needs, if any; and

247.13 (4) affordability. Dependent health care coverage is affordable if it is reasonable
247.14 in cost. If both parents have health care coverage available for a joint child that is
247.15 comparable with regard to comprehensiveness of medical benefits, accessibility, and the
247.16 joint child's special needs, the least costly health care coverage is presumed to be the most
247.17 appropriate health care coverage for the joint child.

247.18 Sec. 58. Minnesota Statutes 2014, section 518A.41, subdivision 4, is amended to read:

247.19 Subd. 4. **Ordering health care coverage.** (a) If a joint child is presently enrolled
247.20 in health care coverage, the court must order that the parent who currently has the joint
247.21 child enrolled continue that enrollment unless the parties agree otherwise or a party
247.22 requests a change in coverage and the court determines that other health care coverage is
247.23 more appropriate.

247.24 (b) If a joint child is not presently enrolled in health care coverage providing medical
247.25 benefits, upon motion of a parent or the public authority, the court must determine whether
247.26 one or both parents have appropriate health care coverage providing medical benefits
247.27 for the joint child.

247.28 (c) If only one parent has appropriate health care coverage providing medical
247.29 benefits available, the court must order that parent to carry the coverage for the joint child.

247.30 (d) If both parents have appropriate health care coverage providing medical benefits
247.31 available, the court must order the parent with whom the joint child resides to carry the
247.32 coverage for the joint child, unless:

247.33 (1) a party expresses a preference for health care coverage providing medical
247.34 benefits available through the parent with whom the joint child does not reside;

248.1 (2) the parent with whom the joint child does not reside is already carrying
248.2 dependent health care coverage providing medical benefits for other children and the cost
248.3 of contributing to the premiums of the other parent's coverage would cause the parent with
248.4 whom the joint child does not reside extreme hardship; or

248.5 (3) the parties agree as to which parent will carry health care coverage providing
248.6 medical benefits and agree on the allocation of costs.

248.7 (e) If the exception in paragraph (d), clause (1) or (2), applies, the court must
248.8 determine which parent has the most appropriate coverage providing medical benefits
248.9 available and order that parent to carry coverage for the joint child.

248.10 (f) If neither parent has appropriate health care coverage available, the court must
248.11 order the parents to:

248.12 (1) contribute toward the actual health care costs of the joint children based on
248.13 a pro rata share; or

248.14 (2) if the joint child is receiving any form of public coverage, the parent with whom
248.15 the joint child does not reside shall contribute a monthly amount toward the actual cost of
248.16 public coverage. The amount of the noncustodial parent's contribution is determined by
248.17 applying the noncustodial parent's PICS to the premium ~~schedule for public coverage~~ scale
248.18 for MinnesotaCare under section 256L.15, subdivision 2, paragraph (c). If the noncustodial
248.19 parent's PICS meets the eligibility requirements for ~~public coverage~~ MinnesotaCare, the
248.20 contribution is the amount the noncustodial parent would pay for the child's premium. If
248.21 the noncustodial parent's PICS exceeds the eligibility requirements for ~~public coverage~~, the
248.22 contribution is the amount of the premium for the highest eligible income on the ~~appropriate~~
248.23 ~~premium schedule for public coverage~~ scale for MinnesotaCare under section 256L.15,
248.24 subdivision 2, paragraph (c). For purposes of determining the premium amount, the
248.25 noncustodial parent's household size is equal to one parent plus the child or children who
248.26 are the subject of the child support order. The custodial parent's obligation is determined
248.27 under the requirements for public coverage as set forth in chapter 256B ~~or 256L~~; or

248.28 (3) if the noncustodial parent's PICS meet the eligibility requirement for public
248.29 coverage under chapter 256B or the noncustodial parent receives public assistance, the
248.30 noncustodial parent must not be ordered to contribute toward the cost of public coverage.

248.31 (g) If neither parent has appropriate health care coverage available, the court may
248.32 order the parent with whom the child resides to apply for public coverage for the child.

248.33 (h) The commissioner of human services must publish a table with the premium
248.34 schedule for public coverage and update the chart for changes to the schedule by July
248.35 1 of each year.

249.1 (i) If a joint child is not presently enrolled in health care coverage providing dental
249.2 benefits, upon motion of a parent or the public authority, the court must determine whether
249.3 one or both parents have appropriate dental health care coverage for the joint child, and the
249.4 court may order a parent with appropriate dental health care coverage available to carry
249.5 the coverage for the joint child.

249.6 (j) If a joint child is not presently enrolled in available health care coverage
249.7 providing benefits other than medical benefits or dental benefits, upon motion of a parent
249.8 or the public authority, the court may determine whether that other health care coverage
249.9 for the joint child is appropriate, and the court may order a parent with that appropriate
249.10 health care coverage available to carry the coverage for the joint child.

249.11 Sec. 59. Minnesota Statutes 2014, section 518A.41, subdivision 14, is amended to read:

249.12 Subd. 14. **Child support enforcement services.** The public authority must take
249.13 necessary steps to establish ~~and enforce~~, enforce, and modify an order for medical support
249.14 if the joint child receives public assistance or a party completes an application for services
249.15 from the public authority under section 518A.51.

249.16 Sec. 60. Minnesota Statutes 2014, section 518A.41, subdivision 15, is amended to read:

249.17 Subd. 15. **Enforcement.** (a) Remedies available for collecting and enforcing child
249.18 support apply to medical support.

249.19 (b) For the purpose of enforcement, the following are additional support:

249.20 (1) the costs of individual or group health or hospitalization coverage;

249.21 (2) dental coverage;

249.22 (3) medical costs ordered by the court to be paid by either party, including health
249.23 care coverage premiums paid by the obligee because of the obligor's failure to obtain
249.24 coverage as ordered; and

249.25 (4) liabilities established under this subdivision.

249.26 (c) A party who fails to carry court-ordered dependent health care coverage is liable
249.27 for the joint child's uninsured medical expenses unless a court order provides otherwise.

249.28 A party's failure to carry court-ordered coverage, or to provide other medical support as
249.29 ordered, is a basis for modification of a medical support order under section 518A.39,
249.30 subdivision ~~2~~ 8, unless it meets the presumption in section 518A.39, subdivision 2.

249.31 (d) Payments by the health carrier or employer for services rendered to the dependents
249.32 that are directed to a party not owed reimbursement must be endorsed over to and forwarded
249.33 to the vendor or appropriate party or the public authority. A party retaining insurance
249.34 reimbursement not owed to the party is liable for the amount of the reimbursement.

250.1 Sec. 61. Minnesota Statutes 2014, section 518A.43, is amended by adding a
250.2 subdivision to read:

250.3 Subd. 1a. **Income disparity between parties.** The court may deviate from the
250.4 presumptive child support obligation under section 518A.34 and elect not to order a party
250.5 who has between ten and 45 percent parenting time to pay basic support where such a
250.6 significant disparity of income exists between the parties that an order directing payment
250.7 of basic support would be detrimental to the parties' joint child.

250.8 Sec. 62. Minnesota Statutes 2014, section 518A.46, subdivision 3, is amended to read:

250.9 Subd. 3. **Contents of pleadings.** (a) In cases involving establishment or
250.10 modification of a child support order, the initiating party shall include the following
250.11 information, if known, in the pleadings:

250.12 (1) names, addresses, and dates of birth of the parties;

250.13 (2) Social Security numbers of the parties and the minor children of the parties,
250.14 which information shall be considered private information and shall be available only to
250.15 the parties, the court, and the public authority;

250.16 (3) other support obligations of the obligor;

250.17 (4) names and addresses of the parties' employers;

250.18 (5) gross income of the parties as calculated in section 518A.29;

250.19 (6) amounts and sources of any other earnings and income of the parties;

250.20 (7) health insurance coverage of parties;

250.21 (8) types and amounts of public assistance received by the parties, including

250.22 Minnesota family investment plan, child care assistance, medical assistance,

250.23 ~~MinnesotaCare~~, title IV-E foster care, or other form of assistance as defined in section

250.24 256.741, subdivision 1; and

250.25 (9) any other information relevant to the computation of the child support obligation
250.26 under section 518A.34.

250.27 (b) For all matters scheduled in the expedited process, whether or not initiated by
250.28 the public authority, the nonattorney employee of the public authority shall file with the
250.29 court and serve on the parties the following information:

250.30 (1) information pertaining to the income of the parties available to the public
250.31 authority from the Department of Employment and Economic Development;

250.32 (2) a statement of the monthly amount of child support, medical support, child care,
250.33 and arrears currently being charged the obligor on Minnesota IV-D cases;

250.34 (3) a statement of the types and amount of any public assistance, as defined in
250.35 section 256.741, subdivision 1, received by the parties; and

251.1 (4) any other information relevant to the determination of support that is known to
251.2 the public authority and that has not been otherwise provided by the parties.

251.3 The information must be filed with the court or child support magistrate at least
251.4 five days before any hearing involving child support, medical support, or child care
251.5 reimbursement issues.

251.6 Sec. 63. Minnesota Statutes 2014, section 518A.46, is amended by adding a
251.7 subdivision to read:

251.8 Subd. 3a. Contents of pleadings for medical support modifications. (a) In cases
251.9 involving modification of only the medical support portion of a child support order
251.10 under section 518A.39, subdivision 8, the initiating party shall include the following
251.11 information, if known, in the pleadings:

251.12 (1) names, addresses, and dates of birth of the parties;

251.13 (2) Social Security numbers of the parties and the minor children of the parties,
251.14 which shall be considered private information and shall be available only to the parties,
251.15 the court, and the public authority;

251.16 (3) a copy of the full support order being modified;

251.17 (4) names and addresses of the parties' employers;

251.18 (5) gross income of the parties as stated in the order being modified;

251.19 (6) health insurance coverage of the parties; and

251.20 (7) any other information relevant to the determination of the medical support
251.21 obligation under section 518A.41.

251.22 (b) For all matters scheduled in the expedited process, whether or not initiated by
251.23 the public authority, the nonattorney employee of the public authority shall file with the
251.24 court and serve on the parties the following information:

251.25 (1) a statement of the monthly amount of child support, medical support, child care,
251.26 and arrears currently being charged the obligor on Minnesota IV-D cases;

251.27 (2) a statement of the amount of medical assistance received by the parties; and

251.28 (3) any other information relevant to the determination of medical support that is
251.29 known to the public authority and that has not been otherwise provided by the parties.

251.30 The information must be filed with the court or child support magistrate at least five
251.31 days before the hearing on the motion to modify medical support.

251.32 Sec. 64. Minnesota Statutes 2014, section 518A.51, is amended to read:

251.33 **518A.51 FEES FOR IV-D SERVICES.**

252.1 (a) When a recipient of IV-D services is no longer receiving assistance under the
252.2 state's title IV-A, IV-E foster care, or medical assistance, ~~or MinnesotaCare~~ programs, the
252.3 public authority responsible for child support enforcement must notify the recipient,
252.4 within five working days of the notification of ineligibility, that IV-D services will be
252.5 continued unless the public authority is notified to the contrary by the recipient. The
252.6 notice must include the implications of continuing to receive IV-D services, including the
252.7 available services and fees, cost recovery fees, and distribution policies relating to fees.

252.8 ~~(b) An application fee of \$25 shall be paid by the person who applies for child~~
252.9 ~~support and maintenance collection services, except persons who are receiving public~~
252.10 ~~assistance as defined in section 256.741 and the diversionary work program under section~~
252.11 ~~256J.95, persons who transfer from public assistance to nonpublic assistance status, and~~
252.12 ~~minor parents and parents enrolled in a public secondary school, area learning center, or~~
252.13 ~~alternative learning program approved by the commissioner of education.~~

252.14 ~~(e)~~ (b) In the case of an individual who has never received assistance under a state
252.15 program funded under title IV-A of the Social Security Act and for whom the public
252.16 authority has collected at least \$500 of support, the public authority must impose an
252.17 annual federal collections fee of \$25 for each case in which services are furnished. This
252.18 fee must be retained by the public authority from support collected on behalf of the
252.19 individual, but not from the first \$500 collected.

252.20 ~~(d)~~ (c) When the public authority provides full IV-D services to an obligee who
252.21 has applied for those services, upon written notice to the obligee, the public authority
252.22 must charge a cost recovery fee of two percent of the amount collected. This fee must
252.23 be deducted from the amount of the child support and maintenance collected and not
252.24 assigned under section 256.741 before disbursement to the obligee. This fee does not
252.25 apply to an obligee who:

252.26 (1) is currently receiving assistance under the state's title IV-A, IV-E foster care, or
252.27 medical assistance, ~~or MinnesotaCare~~ programs; or

252.28 (2) has received assistance under the state's title IV-A or IV-E foster care programs,
252.29 until the person has not received this assistance for 24 consecutive months.

252.30 ~~(e)~~ (d) When the public authority provides full IV-D services to an obligor who has
252.31 applied for such services, upon written notice to the obligor, the public authority must
252.32 charge a cost recovery fee of two percent of the monthly court-ordered child support and
252.33 maintenance obligation. The fee may be collected through income withholding, as well
252.34 as by any other enforcement remedy available to the public authority responsible for
252.35 child support enforcement.

253.1 ~~(f)~~ (e) Fees assessed by state and federal tax agencies for collection of overdue
253.2 support owed to or on behalf of a person not receiving public assistance must be imposed
253.3 on the person for whom these services are provided. The public authority upon written
253.4 notice to the obligee shall assess a fee of \$25 to the person not receiving public assistance
253.5 for each successful federal tax interception. The fee must be withheld prior to the release
253.6 of the funds received from each interception and deposited in the general fund.

253.7 ~~(g)~~ (f) Federal collections fees collected under paragraph ~~(e)~~ (b) and cost recovery
253.8 fees collected under paragraphs (c) and (d) ~~and (e)~~ retained by the commissioner of human
253.9 services shall be considered child support program income according to Code of Federal
253.10 Regulations, title 45, section 304.50, and shall be deposited in the special revenue fund
253.11 account established under paragraph ~~(f)~~ (h). The commissioner of human services must
253.12 elect to recover costs based on either actual or standardized costs.

253.13 ~~(h)~~ (g) The limitations of this section on the assessment of fees shall not apply to
253.14 the extent inconsistent with the requirements of federal law for receiving funds for the
253.15 programs under title IV-A and title IV-D of the Social Security Act, United States Code,
253.16 title 42, sections 601 to 613 and United States Code, title 42, sections 651 to 662.

253.17 ~~(i)~~ (h) The commissioner of human services is authorized to establish a special
253.18 revenue fund account to receive the federal collections fees collected under paragraph ~~(e)~~
253.19 (b) and cost recovery fees collected under paragraphs (c) and (d) ~~and (e)~~.

253.20 ~~(j)~~ (i) The nonfederal share of the cost recovery fee revenue must be retained by the
253.21 commissioner and distributed as follows:

253.22 (1) one-half of the revenue must be transferred to the child support system special
253.23 revenue account to support the state's administration of the child support enforcement
253.24 program and its federally mandated automated system;

253.25 (2) an additional portion of the revenue must be transferred to the child support
253.26 system special revenue account for expenditures necessary to administer the fees; and

253.27 (3) the remaining portion of the revenue must be distributed to the counties to aid the
253.28 counties in funding their child support enforcement programs.

253.29 ~~(k)~~ (j) The nonfederal share of the federal collections fees must be distributed to the
253.30 counties to aid them in funding their child support enforcement programs.

253.31 ~~(l)~~ (k) The commissioner of human services shall distribute quarterly any of the
253.32 funds dedicated to the counties under paragraphs (i) and (j) ~~and (k)~~ using the methodology
253.33 specified in section 256.979, subdivision 11. The funds received by the counties must be
253.34 reinvested in the child support enforcement program and the counties must not reduce the
253.35 funding of their child support programs by the amount of the funding distributed.

254.1 Sec. 65. Minnesota Statutes 2014, section 518A.53, subdivision 4, is amended to read:

254.2 Subd. 4. **Collection services.** (a) The commissioner of human services shall prepare
254.3 and make available to the courts a notice of services that explains child support and
254.4 maintenance collection services available through the public authority, including income
254.5 withholding, and the fees for such services. Upon receiving a petition for dissolution of
254.6 marriage or legal separation, the court administrator shall promptly send the notice of
254.7 services to the petitioner and respondent at the addresses stated in the petition.

254.8 (b) Either the obligee or obligor may at any time apply to the public authority for
254.9 either full IV-D services or for income withholding only services.

254.10 (c) For those persons applying for income withholding only services, a monthly
254.11 service fee of \$15 must be charged to the obligor. This fee is in addition to the amount of
254.12 the support order and shall be withheld through income withholding. The public authority
254.13 shall explain the service options in this section to the affected parties and encourage the
254.14 application for full child support collection services.

254.15 (d) If the obligee is not a current recipient of public assistance as defined in section
254.16 256.741, the person who applied for services may at any time choose to terminate either
254.17 full IV-D services or income withholding only services regardless of whether income
254.18 withholding is currently in place. The obligee or obligor may reapply for either full IV-D
254.19 services or income withholding only services at any time. ~~Unless the applicant is a~~
254.20 ~~recipient of public assistance as defined in section 256.741, a \$25 application fee shall be~~
254.21 ~~charged at the time of each application.~~

254.22 (e) When a person terminates IV-D services, if an arrearage for public assistance as
254.23 defined in section 256.741 exists, the public authority may continue income withholding,
254.24 as well as use any other enforcement remedy for the collection of child support, until all
254.25 public assistance arrears are paid in full. Income withholding shall be in an amount equal
254.26 to 20 percent of the support order in effect at the time the services terminated.

254.27 Sec. 66. **[518A.685] CONSUMER REPORTING AGENCY; REPORTING**
254.28 **ARREARS.**

254.29 (a) If a public authority determines that an obligor has not paid the current monthly
254.30 support obligation plus any required arrearage payment for three months, the public
254.31 authority must report this information to a consumer reporting agency.

254.32 (b) Before reporting that an obligor is in arrears for court-ordered child support,
254.33 the public authority must:

254.34 (1) provide written notice to the obligor that the public authority intends to report the
254.35 arrears to a consumer reporting agency; and

255.1 (2) mail the written notice to the obligor's last known mailing address at least 30
255.2 days before the public authority reports the arrears to a consumer reporting agency.

255.3 (c) The obligor may, within 21 days of receipt of the notice, do the following to
255.4 prevent the public authority from reporting the arrears to a consumer reporting agency:

255.5 (1) pay the arrears in full; or

255.6 (2) request an administrative review. An administrative review is limited to issues
255.7 of mistaken identity, a pending legal action involving the arrears, or an incorrect arrears
255.8 balance.

255.9 (d) If the public authority has reported that an obligor is in arrears for court-ordered
255.10 child support and subsequently determines that the obligor has paid the court-ordered
255.11 child support arrears in full, or is paying the current monthly support obligation plus any
255.12 required arrearage payment, the public authority must report to the consumer reporting
255.13 agency that the obligor is currently paying child support as ordered by the court.

255.14 (e) A public authority that reports arrearage information under this section must
255.15 make monthly reports to a consumer reporting agency. The monthly report must be
255.16 consistent with credit reporting industry standards for child support.

255.17 (f) For purposes of this section, "consumer reporting agency" has the meaning given
255.18 in section 13C.001, subdivision 4, and United States Code, title 15, section 1681a(f).

255.19 Sec. 67. Minnesota Statutes 2014, section 518C.802, is amended to read:

255.20 **518C.802 CONDITIONS OF RENDITION.**

255.21 (a) Before making demand that the governor of another state surrender an individual
255.22 charged criminally in this state with having failed to provide for the support of an obligee,
255.23 the governor of this state may require a prosecutor of this state to demonstrate that at least
255.24 60 days previously the obligee had initiated proceedings for support pursuant to this
255.25 chapter or that the proceeding would be of no avail.

255.26 (b) If, under this chapter or a law substantially similar to this chapter, ~~the Uniform~~
255.27 ~~Reciprocal Enforcement of Support Act, or the Revised Uniform Reciprocal Enforcement~~
255.28 ~~of Support Act,~~ the governor of another state makes a demand that the governor of
255.29 this state surrender an individual charged criminally in that state with having failed to
255.30 provide for the support of a child or other individual to whom a duty of support is owed,
255.31 the governor may require a prosecutor to investigate the demand and report whether
255.32 a proceeding for support has been initiated or would be effective. If it appears that a
255.33 proceeding would be effective but has not been initiated, the governor may delay honoring
255.34 the demand for a reasonable time to permit the initiation of a proceeding.

256.1 (c) If a proceeding for support has been initiated and the individual whose rendition is
256.2 demanded prevails, the governor may decline to honor the demand. If the petitioner prevails
256.3 and the individual whose rendition is demanded is subject to a support order, the governor
256.4 may decline to honor the demand if the individual is complying with the support order.

256.5 Sec. 68. Minnesota Statutes 2014, section 626.556, subdivision 1, as amended by Laws
256.6 2015, chapter 4, section 1, is amended to read:

256.7 Subdivision 1. **Public policy.** (a) The legislature hereby declares that the public
256.8 policy of this state is to protect children whose health or welfare may be jeopardized
256.9 through physical abuse, neglect, or sexual abuse. While it is recognized that most parents
256.10 want to keep their children safe, sometimes circumstances or conditions interfere with
256.11 their ability to do so. When this occurs, the health and safety of the children shall be of
256.12 paramount concern. Intervention and prevention efforts shall address immediate concerns
256.13 for child safety and the ongoing risk of abuse or neglect and should engage the protective
256.14 capacities of families. In furtherance of this public policy, it is the intent of the legislature
256.15 under this section to:

256.16 (1) protect children and promote child safety;

256.17 (2) strengthen the family;

256.18 (3) make the home, school, and community safe for children by promoting
256.19 responsible child care in all settings; and

256.20 (4) provide, when necessary, a safe temporary or permanent home environment for
256.21 physically or sexually abused or neglected children.

256.22 (b) In addition, it is the policy of this state to:

256.23 (1) require the reporting of neglect or physical or sexual abuse of children in the
256.24 home, school, and community settings;

256.25 (2) provide for the voluntary reporting of abuse or neglect of children; ~~to require~~
256.26 ~~a family assessment, when appropriate, as the preferred response to reports not alleging~~
256.27 ~~substantial child endangerment;~~

256.28 (3) require an investigation when the report alleges sexual abuse or substantial child
256.29 endangerment, as defined in subdivision 2, paragraph (c);

256.30 (4) provide a family assessment when there is no alleged substantial child
256.31 endangerment; and

256.32 ~~(4)~~ (5) provide protective, family support, and family preservation services when
256.33 needed in appropriate cases.

256.34 Sec. 69. Minnesota Statutes 2014, section 626.556, subdivision 2, is amended to read:

257.1 Subd. 2. **Definitions.** As used in this section, the following terms have the meanings
257.2 given them unless the specific content indicates otherwise:

257.3 (a) "Family assessment" means a comprehensive assessment of child safety, risk
257.4 of subsequent child maltreatment, and family strengths and needs that is applied to a
257.5 child maltreatment report that does not allege substantial child endangerment. Family
257.6 assessment does not include a determination as to whether child maltreatment occurred
257.7 but does determine the need for services to address the safety of family members and the
257.8 risk of subsequent maltreatment.

257.9 (b) "Investigation" means fact gathering related to the current safety of a child
257.10 and the risk of subsequent maltreatment that determines whether child maltreatment
257.11 occurred and whether child protective services are needed. An investigation must be used
257.12 when reports involve substantial child endangerment, and for reports of maltreatment in
257.13 facilities required to be licensed under chapter 245A or 245D; under sections 144.50 to
257.14 144.58 and 241.021; in a school as defined in sections 120A.05, subdivisions 9, 11, and
257.15 13, and 124D.10; or in a nonlicensed personal care provider association as defined in
257.16 section 256B.0625, subdivision 19a.

257.17 (c) "Substantial child endangerment" means a person responsible for a child's care,
257.18 and in the case of sexual abuse includes a person who has a significant relationship to the
257.19 child as defined in section 609.341, or a person in a position of authority as defined in
257.20 section 609.341, who by act or omission commits or attempts to commit an act against a
257.21 child under their care that constitutes any of the following:

257.22 (1) egregious harm as defined in section 260C.007, subdivision 14;

257.23 (2) sexual abuse as defined in paragraph (d);

257.24 (3) abandonment under section 260C.301, subdivision 2;

257.25 (4) neglect as defined in paragraph (f), clause (2), that substantially endangers the
257.26 child's physical or mental health, including a growth delay, which may be referred to as
257.27 failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

257.28 (5) murder in the first, second, or third degree under section 609.185, 609.19, or
257.29 609.195;

257.30 (6) manslaughter in the first or second degree under section 609.20 or 609.205;

257.31 (7) assault in the first, second, or third degree under section 609.221, 609.222, or
257.32 609.223;

257.33 (8) solicitation, inducement, and promotion of prostitution under section 609.322;

257.34 (9) criminal sexual conduct under sections 609.342 to 609.3451;

257.35 (10) solicitation of children to engage in sexual conduct under section 609.352;

258.1 (11) malicious punishment or neglect or endangerment of a child under section
258.2 609.377 or 609.378;

258.3 (12) use of a minor in sexual performance under section 617.246; or

258.4 (13) parental behavior, status, or condition which mandates that the county attorney
258.5 file a termination of parental rights petition under section 260C.503, subdivision 2.

258.6 (d) "Sexual abuse" means the subjection of a child by a person responsible for the
258.7 child's care, by a person who has a significant relationship to the child, as defined in
258.8 section 609.341, or by a person in a position of authority, as defined in section 609.341,
258.9 subdivision 10, to any act which constitutes a violation of section 609.342 (criminal sexual
258.10 conduct in the first degree), 609.343 (criminal sexual conduct in the second degree),
258.11 609.344 (criminal sexual conduct in the third degree), 609.345 (criminal sexual conduct
258.12 in the fourth degree), or 609.3451 (criminal sexual conduct in the fifth degree). Sexual
258.13 abuse also includes any act which involves a minor which constitutes a violation of
258.14 prostitution offenses under sections 609.321 to 609.324 or 617.246. Sexual abuse includes
258.15 threatened sexual abuse which includes the status of a parent or household member
258.16 who has committed a violation which requires registration as an offender under section
258.17 243.166, subdivision 1b, paragraph (a) or (b), or required registration under section
258.18 243.166, subdivision 1b, paragraph (a) or (b).

258.19 (e) "Person responsible for the child's care" means (1) an individual functioning
258.20 within the family unit and having responsibilities for the care of the child such as a
258.21 parent, guardian, or other person having similar care responsibilities, or (2) an individual
258.22 functioning outside the family unit and having responsibilities for the care of the child
258.23 such as a teacher, school administrator, other school employees or agents, or other lawful
258.24 custodian of a child having either full-time or short-term care responsibilities including,
258.25 but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching,
258.26 and coaching.

258.27 (f) "Neglect" means the commission or omission of any of the acts specified under
258.28 clauses (1) to (9), other than by accidental means:

258.29 (1) failure by a person responsible for a child's care to supply a child with necessary
258.30 food, clothing, shelter, health, medical, or other care required for the child's physical or
258.31 mental health when reasonably able to do so;

258.32 (2) failure to protect a child from conditions or actions that seriously endanger the
258.33 child's physical or mental health when reasonably able to do so, including a growth delay,
258.34 which may be referred to as a failure to thrive, that has been diagnosed by a physician and
258.35 is due to parental neglect;

- 259.1 (3) failure to provide for necessary supervision or child care arrangements
259.2 appropriate for a child after considering factors as the child's age, mental ability, physical
259.3 condition, length of absence, or environment, when the child is unable to care for the
259.4 child's own basic needs or safety, or the basic needs or safety of another child in their care;
- 259.5 (4) failure to ensure that the child is educated as defined in sections 120A.22 and
259.6 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's
259.7 child with sympathomimetic medications, consistent with section 125A.091, subdivision 5;
- 259.8 (5) nothing in this section shall be construed to mean that a child is neglected solely
259.9 because the child's parent, guardian, or other person responsible for the child's care in
259.10 good faith selects and depends upon spiritual means or prayer for treatment or care of
259.11 disease or remedial care of the child in lieu of medical care; except that a parent, guardian,
259.12 or caretaker, or a person mandated to report pursuant to subdivision 3, has a duty to report
259.13 if a lack of medical care may cause serious danger to the child's health. This section does
259.14 not impose upon persons, not otherwise legally responsible for providing a child with
259.15 necessary food, clothing, shelter, education, or medical care, a duty to provide that care;
- 259.16 (6) prenatal exposure to a controlled substance, as defined in section 253B.02,
259.17 subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal
259.18 symptoms in the child at birth, results of a toxicology test performed on the mother at
259.19 delivery or the child at birth, medical effects or developmental delays during the child's
259.20 first year of life that medically indicate prenatal exposure to a controlled substance, or the
259.21 presence of a fetal alcohol spectrum disorder;
- 259.22 (7) "medical neglect" as defined in section 260C.007, subdivision 6, clause (5);
- 259.23 (8) chronic and severe use of alcohol or a controlled substance by a parent or
259.24 person responsible for the care of the child that adversely affects the child's basic needs
259.25 and safety; or
- 259.26 (9) emotional harm from a pattern of behavior which contributes to impaired
259.27 emotional functioning of the child which may be demonstrated by a substantial and
259.28 observable effect in the child's behavior, emotional response, or cognition that is not
259.29 within the normal range for the child's age and stage of development, with due regard to
259.30 the child's culture.
- 259.31 (g) "Physical abuse" means any physical injury, mental injury, or threatened injury,
259.32 inflicted by a person responsible for the child's care on a child other than by accidental
259.33 means, or any physical or mental injury that cannot reasonably be explained by the child's
259.34 history of injuries, or any aversive or deprivation procedures, or regulated interventions,
259.35 that have not been authorized under section 125A.0942 or 245.825.

260.1 Abuse does not include reasonable and moderate physical discipline of a child
260.2 administered by a parent or legal guardian which does not result in an injury. Abuse does
260.3 not include the use of reasonable force by a teacher, principal, or school employee as
260.4 allowed by section 121A.582. Actions which are not reasonable and moderate include,
260.5 but are not limited to, any of the following ~~that are done in anger or without regard to the~~
260.6 ~~safety of the child:~~

260.7 (1) throwing, kicking, burning, biting, or cutting a child;

260.8 (2) striking a child with a closed fist;

260.9 (3) shaking a child under age three;

260.10 (4) striking or other actions which result in any nonaccidental injury to a child
260.11 under 18 months of age;

260.12 (5) unreasonable interference with a child's breathing;

260.13 (6) threatening a child with a weapon, as defined in section 609.02, subdivision 6;

260.14 (7) striking a child under age one on the face or head;

260.15 (8) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled
260.16 substances which were not prescribed for the child by a practitioner, in order to control or
260.17 punish the child; or other substances that substantially affect the child's behavior, motor
260.18 coordination, or judgment or that results in sickness or internal injury, or subjects the
260.19 child to medical procedures that would be unnecessary if the child were not exposed
260.20 to the substances;

260.21 (9) unreasonable physical confinement or restraint not permitted under section
260.22 609.379, including but not limited to tying, caging, or chaining; or

260.23 (10) in a school facility or school zone, an act by a person responsible for the child's
260.24 care that is a violation under section 121A.58.

260.25 (h) "Report" means any report received by the local welfare agency, police
260.26 department, county sheriff, or agency responsible for assessing or investigating
260.27 maltreatment pursuant to this section.

260.28 (i) "Facility" means:

260.29 (1) a licensed or unlicensed day care facility, residential facility, agency, hospital,
260.30 sanitarium, or other facility or institution required to be licensed under sections 144.50 to
260.31 144.58, 241.021, or 245A.01 to 245A.16, or chapter 245D;

260.32 (2) a school as defined in sections 120A.05, subdivisions 9, 11, and 13; and
260.33 124D.10; or

260.34 (3) a nonlicensed personal care provider organization as defined in section
260.35 256B.0625, subdivision 19a.

260.36 (j) "Operator" means an operator or agency as defined in section 245A.02.

261.1 (k) "Commissioner" means the commissioner of human services.

261.2 (l) "Practice of social services," for the purposes of subdivision 3, includes but is
261.3 not limited to employee assistance counseling and the provision of guardian ad litem and
261.4 parenting time expeditor services.

261.5 (m) "Mental injury" means an injury to the psychological capacity or emotional
261.6 stability of a child as evidenced by an observable or substantial impairment in the child's
261.7 ability to function within a normal range of performance and behavior with due regard to
261.8 the child's culture.

261.9 (n) "Threatened injury" means a statement, overt act, condition, or status that
261.10 represents a substantial risk of physical or sexual abuse or mental injury. Threatened
261.11 injury includes, but is not limited to, exposing a child to a person responsible for the
261.12 child's care, as defined in paragraph (e), clause (1), who has:

261.13 (1) subjected a child to, or failed to protect a child from, an overt act or condition
261.14 that constitutes egregious harm, as defined in section 260C.007, subdivision 14, or a
261.15 similar law of another jurisdiction;

261.16 (2) been found to be palpably unfit under section 260C.301, subdivision 1, paragraph
261.17 (b), clause (4), or a similar law of another jurisdiction;

261.18 (3) committed an act that has resulted in an involuntary termination of parental rights
261.19 under section 260C.301, or a similar law of another jurisdiction; or

261.20 (4) committed an act that has resulted in the involuntary transfer of permanent
261.21 legal and physical custody of a child to a relative under Minnesota Statutes 2010, section
261.22 260C.201, subdivision 11, paragraph (d), clause (1), section 260C.515, subdivision 4, or a
261.23 similar law of another jurisdiction.

261.24 A child is the subject of a report of threatened injury when the responsible social
261.25 services agency receives birth match data under paragraph (o) from the Department of
261.26 Human Services.

261.27 (o) Upon receiving data under section 144.225, subdivision 2b, contained in a
261.28 birth record or recognition of parentage identifying a child who is subject to threatened
261.29 injury under paragraph (n), the Department of Human Services shall send the data to the
261.30 responsible social services agency. The data is known as "birth match" data. Unless the
261.31 responsible social services agency has already begun an investigation or assessment of the
261.32 report due to the birth of the child or execution of the recognition of parentage and the
261.33 parent's previous history with child protection, the agency shall accept the birth match
261.34 data as a report under this section. The agency may use either a family assessment or
261.35 investigation to determine whether the child is safe. All of the provisions of this section
261.36 apply. If the child is determined to be safe, the agency shall consult with the county

262.1 attorney to determine the appropriateness of filing a petition alleging the child is in need
262.2 of protection or services under section 260C.007, subdivision 6, clause (16), in order to
262.3 deliver needed services. If the child is determined not to be safe, the agency and the county
262.4 attorney shall take appropriate action as required under section 260C.503, subdivision 2.

262.5 (p) Persons who conduct assessments or investigations under this section shall take
262.6 into account accepted child-rearing practices of the culture in which a child participates
262.7 and accepted teacher discipline practices, which are not injurious to the child's health,
262.8 welfare, and safety.

262.9 (q) "Accidental" means a sudden, not reasonably foreseeable, and unexpected
262.10 occurrence or event which:

262.11 (1) is not likely to occur and could not have been prevented by exercise of due
262.12 care; and

262.13 (2) if occurring while a child is receiving services from a facility, happens when the
262.14 facility and the employee or person providing services in the facility are in compliance
262.15 with the laws and rules relevant to the occurrence or event.

262.16 (r) "Nonmaltreatment mistake" means:

262.17 (1) at the time of the incident, the individual was performing duties identified in the
262.18 center's child care program plan required under Minnesota Rules, part 9503.0045;

262.19 (2) the individual has not been determined responsible for a similar incident that
262.20 resulted in a finding of maltreatment for at least seven years;

262.21 (3) the individual has not been determined to have committed a similar
262.22 nonmaltreatment mistake under this paragraph for at least four years;

262.23 (4) any injury to a child resulting from the incident, if treated, is treated only with
262.24 remedies that are available over the counter, whether ordered by a medical professional or
262.25 not; and

262.26 (5) except for the period when the incident occurred, the facility and the individual
262.27 providing services were both in compliance with all licensing requirements relevant to the
262.28 incident.

262.29 This definition only applies to child care centers licensed under Minnesota
262.30 Rules, chapter 9503. If clauses (1) to (5) apply, rather than making a determination of
262.31 substantiated maltreatment by the individual, the commissioner of human services shall
262.32 determine that a nonmaltreatment mistake was made by the individual.

262.33 Sec. 70. Minnesota Statutes 2014, section 626.556, subdivision 3, is amended to read:

262.34 Subd. 3. **Persons mandated to report.** (a) A person who knows or has reason
262.35 to believe a child is being neglected or physically or sexually abused, as defined in

263.1 subdivision 2, or has been neglected or physically or sexually abused within the preceding
263.2 three years, shall immediately report the information to the local welfare agency, agency
263.3 responsible for assessing or investigating the report, police department, or the county
263.4 sheriff if the person is:

263.5 (1) a professional or professional's delegate who is engaged in the practice of
263.6 the healing arts, social services, hospital administration, psychological or psychiatric
263.7 treatment, child care, education, correctional supervision, probation and correctional
263.8 services, or law enforcement; or

263.9 (2) employed as a member of the clergy and received the information while
263.10 engaged in ministerial duties, provided that a member of the clergy is not required by
263.11 this subdivision to report information that is otherwise privileged under section 595.02,
263.12 subdivision 1, paragraph (c).

263.13 The police department or the county sheriff, upon receiving a report, shall
263.14 immediately notify the local welfare agency or agency responsible for assessing or
263.15 investigating the report, orally and in writing. The local welfare agency, or agency
263.16 responsible for assessing or investigating the report, ~~upon receiving a report~~, shall
263.17 immediately notify the local police department or the county sheriff orally and in writing
263.18 when a report is received, including reports that are not accepted for investigation or
263.19 assessment. The county sheriff and the head of every local welfare agency, agency
263.20 responsible for assessing or investigating reports, and police department shall each
263.21 designate a person within their agency, department, or office who is responsible for
263.22 ensuring that the notification duties of this paragraph and paragraph (b) are carried out.
263.23 Nothing in this subdivision shall be construed to require more than one report from any
263.24 institution, facility, school, or agency.

263.25 (b) Any person may voluntarily report to the local welfare agency, agency
263.26 responsible for assessing or investigating the report, police department, or the county
263.27 sheriff if the person knows, has reason to believe, or suspects a child is being or has been
263.28 neglected or subjected to physical or sexual abuse. The police department or the county
263.29 sheriff, upon receiving a report, shall immediately notify the local welfare agency or
263.30 agency responsible for assessing or investigating the report, orally and in writing. The
263.31 local welfare agency or agency responsible for assessing or investigating the report, ~~upon~~
263.32 ~~receiving a report~~, shall immediately notify the local police department or the county
263.33 sheriff orally and in writing when a report is received, including reports that are not
263.34 accepted for investigation or assessment.

263.35 (c) A person mandated to report physical or sexual child abuse or neglect occurring
263.36 within a licensed facility shall report the information to the agency responsible for

264.1 licensing the facility under sections 144.50 to 144.58; 241.021; 245A.01 to 245A.16; or
264.2 chapter 245D; or a nonlicensed personal care provider organization as defined in section
264.3 256B.0625, subdivision 19. A health or corrections agency receiving a report may request
264.4 the local welfare agency to provide assistance pursuant to subdivisions 10, 10a, and 10b. A
264.5 board or other entity whose licensees perform work within a school facility, upon receiving
264.6 a complaint of alleged maltreatment, shall provide information about the circumstances of
264.7 the alleged maltreatment to the commissioner of education. Section 13.03, subdivision 4,
264.8 applies to data received by the commissioner of education from a licensing entity.

264.9 (d) Any person mandated to report shall receive a summary of the disposition of
264.10 any report made by that reporter, including whether the case has been opened for child
264.11 protection or other services, or if a referral has been made to a community organization,
264.12 unless release would be detrimental to the best interests of the child. Any person who is
264.13 not mandated to report shall, upon request to the local welfare agency, receive a concise
264.14 summary of the disposition of any report made by that reporter, unless release would be
264.15 detrimental to the best interests of the child.

264.16 (e) For purposes of this section, "immediately" means as soon as possible but in
264.17 no event longer than 24 hours.

264.18 Sec. 71. Minnesota Statutes 2014, section 626.556, subdivision 6a, is amended to read:

264.19 Subd. 6a. **Failure to notify.** If a local welfare agency receives a report under
264.20 subdivision 3 10, paragraph (a) ~~or (b)~~, and fails to notify the local police department or
264.21 county sheriff as required by subdivision 3 10, paragraph (a) ~~or (b)~~, the person within
264.22 the agency who is responsible for ensuring that notification is made shall be subject to
264.23 disciplinary action in keeping with the agency's existing policy or collective bargaining
264.24 agreement on discipline of employees. If a local police department or a county sheriff
264.25 receives a report under subdivision 3, paragraph (a) or (b), and fails to notify the local
264.26 welfare agency as required by subdivision 3, paragraph (a) or (b), the person within
264.27 the police department or county sheriff's office who is responsible for ensuring that
264.28 notification is made shall be subject to disciplinary action in keeping with the agency's
264.29 existing policy or collective bargaining agreement on discipline of employees.

264.30 Sec. 72. Minnesota Statutes 2014, section 626.556, subdivision 7, as amended by Laws
264.31 2015, chapter 4, section 2, is amended to read:

264.32 Subd. 7. **Report; information provided to parent.** (a) An oral report shall be
264.33 made immediately by telephone or otherwise. An oral report made by a person required
264.34 under subdivision 3 to report shall be followed within 72 hours, exclusive of weekends

265.1 and holidays, by a report in writing to the appropriate police department, the county
265.2 sheriff, the agency responsible for ~~assessing or investigating~~ or assessing the report, or
265.3 the local welfare agency.

265.4 (b) The local welfare agency shall immediately notify local law enforcement when a
265.5 report is received, including reports that are not accepted for investigation or assessment.

265.6 (c) The local welfare agency shall determine if the report is accepted for an
265.7 assessment or investigation or assessment as soon as possible but in no event longer
265.8 than 24 hours after the report is received.

265.9 ~~(b)~~ (d) Any report shall be of sufficient content to identify the child, any person
265.10 believed to be responsible for the abuse or neglect of the child if the person is known, the
265.11 nature and extent of the abuse or neglect and the name and address of the reporter. The
265.12 local welfare agency or agency responsible for assessing or investigating the report shall
265.13 accept a report made under subdivision 3 notwithstanding refusal by a reporter to provide
265.14 the reporter's name or address as long as the report is otherwise sufficient under this
265.15 paragraph. Written reports received by a police department or the county sheriff shall be
265.16 forwarded immediately to the local welfare agency or the agency responsible for assessing
265.17 or investigating the report. The police department or the county sheriff may keep copies of
265.18 reports received by them. Copies of written reports received by a local welfare department
265.19 or the agency responsible for assessing or investigating the report shall be forwarded
265.20 immediately to the local police department or the county sheriff.

265.21 ~~(e)~~ (e) When requested, the agency responsible for assessing or investigating a
265.22 report shall inform the reporter within ten days after the report was made, either orally or
265.23 in writing, whether the report was accepted or not. If the responsible agency determines
265.24 the report does not constitute a report under this section, the agency shall advise the
265.25 reporter the report was screened out.

265.26 (f) A local welfare agency or agency responsible for investigating or assessing a
265.27 report may use a screened-out report for making an offer of social services to the subjects
265.28 of the screened-out report. A local welfare agency or agency responsible for evaluating a
265.29 report alleging maltreatment of a child shall consider prior reports, including screened-out
265.30 reports, to determine whether an investigation or family assessment must be conducted. A
265.31 screened-out report must be maintained in accordance with subdivision 11c, paragraph (a).

265.32 ~~(d)~~ (g) Notwithstanding paragraph (a), the commissioner of education must inform
265.33 the parent, guardian, or legal custodian of the child who is the subject of a report of
265.34 alleged maltreatment in a school facility within ten days of receiving the report, either
265.35 orally or in writing, whether the commissioner is assessing or investigating the report
265.36 of alleged maltreatment.

266.1 (e) (h) Regardless of whether a report is made under this subdivision, as soon as
266.2 practicable after a school receives information regarding an incident that may constitute
266.3 maltreatment of a child in a school facility, the school shall inform the parent, legal
266.4 guardian, or custodian of the child that an incident has occurred that may constitute
266.5 maltreatment of the child, when the incident occurred, and the nature of the conduct
266.6 that may constitute maltreatment.

266.7 (f) (i) A written copy of a report maintained by personnel of agencies, other than
266.8 welfare or law enforcement agencies, which are subject to chapter 13 shall be confidential.
266.9 An individual subject of the report may obtain access to the original report as provided
266.10 by subdivision 11.

266.11 Sec. 73. Minnesota Statutes 2014, section 626.556, is amended by adding a subdivision
266.12 to read:

266.13 Subd. 7a. **Guidance for screening reports.** (a) Child protection staff, supervisors,
266.14 and others involved in child protection screening shall follow the guidance provided
266.15 in the child maltreatment screening guidelines issued by the commissioner of human
266.16 services and, when notified by the commissioner, shall immediately implement updated
266.17 procedures and protocols.

266.18 (b) In consultation with the county attorney, the county social service agency may
266.19 elect to adopt a standard consistent with state law that permits the county to accept reports
266.20 that are not required to be screened in under the child maltreatment screening guidelines.

266.21 Sec. 74. Minnesota Statutes 2014, section 626.556, subdivision 10, is amended to read:

266.22 Subd. 10. **Duties of local welfare agency and local law enforcement agency upon**
266.23 **receipt of report.** (a) Upon receipt of a report, the local welfare agency shall determine
266.24 whether to conduct a family assessment or an investigation as appropriate to prevent or
266.25 provide a remedy for child maltreatment. The local welfare agency must notify local
266.26 law enforcement when a report is received, including reports that are not accepted for
266.27 investigation or assessment. The local welfare agency:

266.28 (1) shall conduct an investigation on reports involving sexual abuse or substantial
266.29 child endangerment;

266.30 (2) shall begin an immediate investigation if, at any time when it is using a family
266.31 assessment response, it determines that there is reason to believe that substantial child
266.32 endangerment or a serious threat to the child's safety exists;

266.33 (3) may conduct a family assessment for reports that do not allege substantial child
266.34 endangerment. In determining that a family assessment is appropriate, the local welfare

267.1 agency may consider issues of child safety, parental cooperation, and the need for an
267.2 immediate response; and

267.3 (4) may conduct a family assessment on a report that was initially screened and
267.4 assigned for an investigation. In determining that a complete investigation is not required,
267.5 the local welfare agency must document the reason for terminating the investigation and
267.6 notify the local law enforcement agency if the local law enforcement agency is conducting
267.7 a joint investigation.

267.8 If the report alleges neglect, physical abuse, or sexual abuse by a parent, guardian,
267.9 or individual functioning within the family unit as a person responsible for the child's
267.10 care, or sexual abuse by a person with a significant relationship to the child when that
267.11 person resides in the child's household or by a sibling, the local welfare agency shall
267.12 immediately conduct a family assessment or investigation as identified in clauses (1) to
267.13 (4). In conducting a family assessment or investigation, the local welfare agency shall
267.14 gather information on the existence of substance abuse and domestic violence and offer
267.15 services for purposes of preventing future child maltreatment, safeguarding and enhancing
267.16 the welfare of the abused or neglected minor, and supporting and preserving family
267.17 life whenever possible. If the report alleges a violation of a criminal statute involving
267.18 sexual abuse, physical abuse, or neglect or endangerment, under section 609.378, the
267.19 local law enforcement agency and local welfare agency shall coordinate the planning and
267.20 execution of their respective investigation and assessment efforts to avoid a duplication of
267.21 fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of
267.22 the results of its investigation. In cases of alleged child maltreatment resulting in death,
267.23 the local agency may rely on the fact-finding efforts of a law enforcement investigation
267.24 to make a determination of whether or not maltreatment occurred. When necessary the
267.25 local welfare agency shall seek authority to remove the child from the custody of a parent,
267.26 guardian, or adult with whom the child is living. In performing any of these duties, the
267.27 local welfare agency shall maintain appropriate records.

267.28 If the family assessment or investigation indicates there is a potential for abuse of
267.29 alcohol or other drugs by the parent, guardian, or person responsible for the child's care,
267.30 the local welfare agency shall conduct a chemical use assessment pursuant to Minnesota
267.31 Rules, part 9530.6615.

267.32 (b) When a local agency receives a report or otherwise has information indicating
267.33 that a child who is a client, as defined in section 245.91, has been the subject of physical
267.34 abuse, sexual abuse, or neglect at an agency, facility, or program as defined in section
267.35 245.91, it shall, in addition to its other duties under this section, immediately inform the
267.36 ombudsman established under sections 245.91 to 245.97. The commissioner of education

268.1 shall inform the ombudsman established under sections 245.91 to 245.97 of reports
268.2 regarding a child defined as a client in section 245.91 that maltreatment occurred at a
268.3 school as defined in sections 120A.05, subdivisions 9, 11, and 13, and 124D.10.

268.4 (c) Authority of the local welfare agency responsible for assessing or investigating
268.5 the child abuse or neglect report, the agency responsible for assessing or investigating
268.6 the report, and of the local law enforcement agency for investigating the alleged abuse or
268.7 neglect includes, but is not limited to, authority to interview, without parental consent,
268.8 the alleged victim and any other minors who currently reside with or who have resided
268.9 with the alleged offender. The interview may take place at school or at any facility or
268.10 other place where the alleged victim or other minors might be found or the child may be
268.11 transported to, and the interview conducted at, a place appropriate for the interview of a
268.12 child designated by the local welfare agency or law enforcement agency. The interview
268.13 may take place outside the presence of the alleged offender or parent, legal custodian,
268.14 guardian, or school official. For family assessments, it is the preferred practice to request
268.15 a parent or guardian's permission to interview the child prior to conducting the child
268.16 interview, unless doing so would compromise the safety assessment. Except as provided in
268.17 this paragraph, the parent, legal custodian, or guardian shall be notified by the responsible
268.18 local welfare or law enforcement agency no later than the conclusion of the investigation
268.19 or assessment that this interview has occurred. Notwithstanding rule 32 of the Minnesota
268.20 Rules of Procedure for Juvenile Courts, the juvenile court may, after hearing on an ex parte
268.21 motion by the local welfare agency, order that, where reasonable cause exists, the agency
268.22 withhold notification of this interview from the parent, legal custodian, or guardian. If the
268.23 interview took place or is to take place on school property, the order shall specify that
268.24 school officials may not disclose to the parent, legal custodian, or guardian the contents
268.25 of the notification of intent to interview the child on school property, as provided under
268.26 this paragraph, and any other related information regarding the interview that may be a
268.27 part of the child's school record. A copy of the order shall be sent by the local welfare or
268.28 law enforcement agency to the appropriate school official.

268.29 (d) When the local welfare, local law enforcement agency, or the agency responsible
268.30 for assessing or investigating a report of maltreatment determines that an interview should
268.31 take place on school property, written notification of intent to interview the child on school
268.32 property must be received by school officials prior to the interview. The notification
268.33 shall include the name of the child to be interviewed, the purpose of the interview, and
268.34 a reference to the statutory authority to conduct an interview on school property. For
268.35 interviews conducted by the local welfare agency, the notification shall be signed by the
268.36 chair of the local social services agency or the chair's designee. The notification shall be

269.1 private data on individuals subject to the provisions of this paragraph. School officials
269.2 may not disclose to the parent, legal custodian, or guardian the contents of the notification
269.3 or any other related information regarding the interview until notified in writing by the
269.4 local welfare or law enforcement agency that the investigation or assessment has been
269.5 concluded, unless a school employee or agent is alleged to have maltreated the child.
269.6 Until that time, the local welfare or law enforcement agency or the agency responsible
269.7 for assessing or investigating a report of maltreatment shall be solely responsible for any
269.8 disclosures regarding the nature of the assessment or investigation.

269.9 Except where the alleged offender is believed to be a school official or employee,
269.10 the time and place, and manner of the interview on school premises shall be within the
269.11 discretion of school officials, but the local welfare or law enforcement agency shall have
269.12 the exclusive authority to determine who may attend the interview. The conditions as to
269.13 time, place, and manner of the interview set by the school officials shall be reasonable and
269.14 the interview shall be conducted not more than 24 hours after the receipt of the notification
269.15 unless another time is considered necessary by agreement between the school officials and
269.16 the local welfare or law enforcement agency. Where the school fails to comply with the
269.17 provisions of this paragraph, the juvenile court may order the school to comply. Every
269.18 effort must be made to reduce the disruption of the educational program of the child, other
269.19 students, or school staff when an interview is conducted on school premises.

269.20 (e) Where the alleged offender or a person responsible for the care of the alleged
269.21 victim or other minor prevents access to the victim or other minor by the local welfare
269.22 agency, the juvenile court may order the parents, legal custodian, or guardian to produce
269.23 the alleged victim or other minor for questioning by the local welfare agency or the local
269.24 law enforcement agency outside the presence of the alleged offender or any person
269.25 responsible for the child's care at reasonable places and times as specified by court order.

269.26 (f) Before making an order under paragraph (e), the court shall issue an order to
269.27 show cause, either upon its own motion or upon a verified petition, specifying the basis for
269.28 the requested interviews and fixing the time and place of the hearing. The order to show
269.29 cause shall be served personally and shall be heard in the same manner as provided in
269.30 other cases in the juvenile court. The court shall consider the need for appointment of a
269.31 guardian ad litem to protect the best interests of the child. If appointed, the guardian ad
269.32 litem shall be present at the hearing on the order to show cause.

269.33 (g) The commissioner of human services, the ombudsman for mental health and
269.34 developmental disabilities, the local welfare agencies responsible for investigating reports,
269.35 the commissioner of education, and the local law enforcement agencies have the right to
269.36 enter facilities as defined in subdivision 2 and to inspect and copy the facility's records,

270.1 including medical records, as part of the investigation. Notwithstanding the provisions of
270.2 chapter 13, they also have the right to inform the facility under investigation that they are
270.3 conducting an investigation, to disclose to the facility the names of the individuals under
270.4 investigation for abusing or neglecting a child, and to provide the facility with a copy of
270.5 the report and the investigative findings.

270.6 (h) The local welfare agency responsible for conducting a family assessment or
270.7 investigation shall collect available and relevant information to determine child safety,
270.8 risk of subsequent child maltreatment, and family strengths and needs and share not public
270.9 information with an Indian's tribal social services agency without violating any law of the
270.10 state that may otherwise impose duties of confidentiality on the local welfare agency in
270.11 order to implement the tribal state agreement. The local welfare agency or the agency
270.12 responsible for investigating the report shall collect available and relevant information
270.13 to ascertain whether maltreatment occurred and whether protective services are needed.
270.14 Information collected includes, when relevant, information with regard to the person
270.15 reporting the alleged maltreatment, including the nature of the reporter's relationship to the
270.16 child and to the alleged offender, and the basis of the reporter's knowledge for the report;
270.17 the child allegedly being maltreated; the alleged offender; the child's caretaker; and other
270.18 collateral sources having relevant information related to the alleged maltreatment. The
270.19 local welfare agency or the agency responsible for investigating the report may make a
270.20 determination of no maltreatment early in an investigation, and close the case and retain
270.21 immunity, if the collected information shows no basis for a full investigation.

270.22 Information relevant to the assessment or investigation must be asked for, and
270.23 may include:

270.24 (1) the child's sex and age;₂ prior reports of maltreatment, including any
270.25 maltreatment reports that were screened out and not accepted for assessment or
270.26 investigation; information relating to developmental functioning;₂ credibility of the child's
270.27 statement;₂ and whether the information provided under this clause is consistent with other
270.28 information collected during the course of the assessment or investigation;

270.29 (2) the alleged offender's age, a record check for prior reports of maltreatment, and
270.30 criminal charges and convictions. The local welfare agency or the agency responsible for
270.31 assessing or investigating the report must provide the alleged offender with an opportunity
270.32 to make a statement. The alleged offender may submit supporting documentation relevant
270.33 to the assessment or investigation;

270.34 (3) collateral source information regarding the alleged maltreatment and care of the
270.35 child. Collateral information includes, when relevant: (i) a medical examination of the
270.36 child; (ii) prior medical records relating to the alleged maltreatment or the care of the

271.1 child maintained by any facility, clinic, or health care professional and an interview with
271.2 the treating professionals; and (iii) interviews with the child's caretakers, including the
271.3 child's parent, guardian, foster parent, child care provider, teachers, counselors, family
271.4 members, relatives, and other persons who may have knowledge regarding the alleged
271.5 maltreatment and the care of the child; and

271.6 (4) information on the existence of domestic abuse and violence in the home of
271.7 the child, and substance abuse.

271.8 Nothing in this paragraph precludes the local welfare agency, the local law
271.9 enforcement agency, or the agency responsible for assessing or investigating the report
271.10 from collecting other relevant information necessary to conduct the assessment or
271.11 investigation. Notwithstanding sections 13.384 or 144.291 to 144.298, the local welfare
271.12 agency has access to medical data and records for purposes of clause (3). Notwithstanding
271.13 the data's classification in the possession of any other agency, data acquired by the
271.14 local welfare agency or the agency responsible for assessing or investigating the report
271.15 during the course of the assessment or investigation are private data on individuals and
271.16 must be maintained in accordance with subdivision 11. Data of the commissioner of
271.17 education collected or maintained during and for the purpose of an investigation of
271.18 alleged maltreatment in a school are governed by this section, notwithstanding the data's
271.19 classification as educational, licensing, or personnel data under chapter 13.

271.20 In conducting an assessment or investigation involving a school facility as defined
271.21 in subdivision 2, paragraph (i), the commissioner of education shall collect investigative
271.22 reports and data that are relevant to a report of maltreatment and are from local law
271.23 enforcement and the school facility.

271.24 (i) Upon receipt of a report, the local welfare agency shall conduct a face-to-face
271.25 contact with the child reported to be maltreated and with the child's primary caregiver
271.26 sufficient to complete a safety assessment and ensure the immediate safety of the child.
271.27 The face-to-face contact with the child and primary caregiver shall occur immediately
271.28 if substantial child endangerment is alleged and within five calendar days for all other
271.29 reports. If the alleged offender was not already interviewed as the primary caregiver, the
271.30 local welfare agency shall also conduct a face-to-face interview with the alleged offender
271.31 in the early stages of the assessment or investigation. At the initial contact, the local child
271.32 welfare agency or the agency responsible for assessing or investigating the report must
271.33 inform the alleged offender of the complaints or allegations made against the individual in
271.34 a manner consistent with laws protecting the rights of the person who made the report.
271.35 The interview with the alleged offender may be postponed if it would jeopardize an active
271.36 law enforcement investigation.

272.1 (j) When conducting an investigation, the local welfare agency shall use a question
272.2 and answer interviewing format with questioning as nondirective as possible to elicit
272.3 spontaneous responses. For investigations only, the following interviewing methods and
272.4 procedures must be used whenever possible when collecting information:

272.5 (1) audio recordings of all interviews with witnesses and collateral sources; and

272.6 (2) in cases of alleged sexual abuse, audio-video recordings of each interview with
272.7 the alleged victim and child witnesses.

272.8 (k) In conducting an assessment or investigation involving a school facility as
272.9 defined in subdivision 2, paragraph (i), the commissioner of education shall collect
272.10 available and relevant information and use the procedures in paragraphs (i), (k), and
272.11 subdivision 3d, except that the requirement for face-to-face observation of the child
272.12 and face-to-face interview of the alleged offender is to occur in the initial stages of the
272.13 assessment or investigation provided that the commissioner may also base the assessment
272.14 or investigation on investigative reports and data received from the school facility and
272.15 local law enforcement, to the extent those investigations satisfy the requirements of
272.16 paragraphs (i) and (k), and subdivision 3d.

272.17 Sec. 75. Minnesota Statutes 2014, section 626.556, subdivision 10e, is amended to read:

272.18 Subd. 10e. **Determinations.** (a) The local welfare agency shall conclude the family
272.19 assessment or the investigation within 45 days of the receipt of a report. The conclusion of
272.20 the assessment or investigation may be extended to permit the completion of a criminal
272.21 investigation or the receipt of expert information requested within 45 days of the receipt
272.22 of the report.

272.23 (b) After conducting a family assessment, the local welfare agency shall determine
272.24 whether services are needed to address the safety of the child and other family members
272.25 and the risk of subsequent maltreatment.

272.26 (c) After conducting an investigation, the local welfare agency shall make two
272.27 determinations: first, whether maltreatment has occurred; and second, whether child
272.28 protective services are needed. No determination of maltreatment shall be made when the
272.29 alleged perpetrator is a child under the age of ten.

272.30 (d) If the commissioner of education conducts an assessment or investigation,
272.31 the commissioner shall determine whether maltreatment occurred and what corrective
272.32 or protective action was taken by the school facility. If a determination is made that
272.33 maltreatment has occurred, the commissioner shall report to the employer, the school
272.34 board, and any appropriate licensing entity the determination that maltreatment occurred
272.35 and what corrective or protective action was taken by the school facility. In all other cases,

273.1 the commissioner shall inform the school board or employer that a report was received,
273.2 the subject of the report, the date of the initial report, the category of maltreatment alleged
273.3 as defined in paragraph (f), the fact that maltreatment was not determined, and a summary
273.4 of the specific reasons for the determination.

273.5 (e) When maltreatment is determined in an investigation involving a facility,
273.6 the investigating agency shall also determine whether the facility or individual was
273.7 responsible, or whether both the facility and the individual were responsible for the
273.8 maltreatment using the mitigating factors in paragraph (i). Determinations under this
273.9 subdivision must be made based on a preponderance of the evidence and are private data
273.10 on individuals or nonpublic data as maintained by the commissioner of education.

273.11 (f) For the purposes of this subdivision, "maltreatment" means any of the following
273.12 acts or omissions:

- 273.13 (1) physical abuse as defined in subdivision 2, paragraph (g);
- 273.14 (2) neglect as defined in subdivision 2, paragraph (f);
- 273.15 (3) sexual abuse as defined in subdivision 2, paragraph (d);
- 273.16 (4) mental injury as defined in subdivision 2, paragraph (m); or
- 273.17 (5) maltreatment of a child in a facility as defined in subdivision 2, paragraph (i).

273.18 (g) For the purposes of this subdivision, a determination that child protective
273.19 services are needed means that the local welfare agency has documented conditions
273.20 during the assessment or investigation sufficient to cause a child protection worker, as
273.21 defined in section 626.559, subdivision 1, to conclude that a child is at significant risk of
273.22 maltreatment if protective intervention is not provided and that the individuals responsible
273.23 for the child's care have not taken or are not likely to take actions to protect the child
273.24 from maltreatment or risk of maltreatment.

273.25 (h) This subdivision does not mean that maltreatment has occurred solely because
273.26 the child's parent, guardian, or other person responsible for the child's care in good faith
273.27 selects and depends upon spiritual means or prayer for treatment or care of disease
273.28 or remedial care of the child, in lieu of medical care. However, if lack of medical care
273.29 may result in serious danger to the child's health, the local welfare agency may ensure
273.30 that necessary medical services are provided to the child.

273.31 (i) When determining whether the facility or individual is the responsible party, or
273.32 whether both the facility and the individual are responsible for determined maltreatment in
273.33 a facility, the investigating agency shall consider at least the following mitigating factors:

- 273.34 (1) whether the actions of the facility or the individual caregivers were according to,
273.35 and followed the terms of, an erroneous physician order, prescription, individual care plan,
273.36 or directive; however, this is not a mitigating factor when the facility or caregiver was

274.1 responsible for the issuance of the erroneous order, prescription, individual care plan, or
274.2 directive or knew or should have known of the errors and took no reasonable measures to
274.3 correct the defect before administering care;

274.4 (2) comparative responsibility between the facility, other caregivers, and
274.5 requirements placed upon an employee, including the facility's compliance with related
274.6 regulatory standards and the adequacy of facility policies and procedures, facility training,
274.7 an individual's participation in the training, the caregiver's supervision, and facility staffing
274.8 levels and the scope of the individual employee's authority and discretion; and

274.9 (3) whether the facility or individual followed professional standards in exercising
274.10 professional judgment.

274.11 The evaluation of the facility's responsibility under clause (2) must not be based on the
274.12 completeness of the risk assessment or risk reduction plan required under section 245A.66,
274.13 but must be based on the facility's compliance with the regulatory standards for policies and
274.14 procedures, training, and supervision as cited in Minnesota Statutes and Minnesota Rules.

274.15 (j) Notwithstanding paragraph (i), when maltreatment is determined to have been
274.16 committed by an individual who is also the facility license holder, both the individual and
274.17 the facility must be determined responsible for the maltreatment, and both the background
274.18 study disqualification standards under section 245C.15, subdivision 4, and the licensing
274.19 actions under sections 245A.06 or 245A.07 apply.

274.20 ~~(k) Individual counties may implement more detailed definitions or criteria that~~
274.21 ~~indicate which allegations to investigate, as long as a county's policies are consistent~~
274.22 ~~with the definitions in the statutes and rules and are approved by the county board. Each~~
274.23 ~~local welfare agency shall periodically inform mandated reporters under subdivision 3~~
274.24 ~~who work in the county of the definitions of maltreatment in the statutes and rules and any~~
274.25 ~~additional definitions or criteria that have been approved by the county board.~~

274.26 Sec. 76. Minnesota Statutes 2014, section 626.556, subdivision 11c, is amended to read:

274.27 Subd. 11c. **Welfare, court services agency, and school records maintained.**

274.28 Notwithstanding sections 138.163 and 138.17, records maintained or records derived
274.29 from reports of abuse by local welfare agencies, agencies responsible for assessing or
274.30 investigating the report, court services agencies, or schools under this section shall be
274.31 destroyed as provided in paragraphs (a) to (d) by the responsible authority.

274.32 (a) For reports alleging child maltreatment that were not accepted for assessment
274.33 or investigation, family assessment cases, and cases where an investigation results in no
274.34 determination of maltreatment or the need for child protective services, the ~~assessment or~~
274.35 ~~investigation~~ records must be maintained for a period of ~~four~~ five years after the date the

275.1 report was not accepted for assessment or investigation or of the final entry in the case
275.2 record. Records of reports that were not accepted must contain sufficient information to
275.3 identify the subjects of the report, the nature of the alleged maltreatment, and the reasons
275.4 as to why the report was not accepted. Records under this paragraph may not be used for
275.5 employment, background checks, or purposes other than to assist in future screening
275.6 decisions and risk and safety assessments.

275.7 (b) All records relating to reports which, upon investigation, indicate either
275.8 maltreatment or a need for child protective services shall be maintained for ten years after
275.9 the date of the final entry in the case record.

275.10 (c) All records regarding a report of maltreatment, including any notification of intent
275.11 to interview which was received by a school under subdivision 10, paragraph (d), shall be
275.12 destroyed by the school when ordered to do so by the agency conducting the assessment or
275.13 investigation. The agency shall order the destruction of the notification when other records
275.14 relating to the report under investigation or assessment are destroyed under this subdivision.

275.15 (d) Private or confidential data released to a court services agency under subdivision
275.16 10h must be destroyed by the court services agency when ordered to do so by the local
275.17 welfare agency that released the data. The local welfare agency or agency responsible for
275.18 assessing or investigating the report shall order destruction of the data when other records
275.19 relating to the assessment or investigation are destroyed under this subdivision.

275.20 ~~(e) For reports alleging child maltreatment that were not accepted for assessment~~
275.21 ~~or investigation, counties shall maintain sufficient information to identify repeat reports~~
275.22 ~~alleging maltreatment of the same child or children for 365 days from the date the report~~
275.23 ~~was screened out. The commissioner of human services shall specify to the counties the~~
275.24 ~~minimum information needed to accomplish this purpose. Counties shall enter this data~~
275.25 ~~into the state social services information system.~~

275.26 Sec. 77. Minnesota Statutes 2014, section 626.556, is amended by adding a subdivision
275.27 to read:

275.28 **Subd. 16. Commissioner's duty to provide oversight; quality assurance reviews;**
275.29 **annual summary of reviews.** (a) The commissioner shall develop a plan to perform
275.30 quality assurance reviews of local welfare agency screening practices and decisions.
275.31 The commissioner shall provide oversight and guidance to counties to ensure consistent
275.32 application of screening guidelines, thorough and appropriate screening decisions, and
275.33 correct documentation and maintenance of reports. Quality assurance reviews must begin
275.34 no later than September 30, 2015.

276.1 (b) The commissioner shall produce an annual report of the summary results of the
276.2 reviews. The report must only contain aggregate data and may not include any data that
276.3 could be used to personally identify any subject whose data is included in the report. The
276.4 report is public information and must be provided to the chairs and ranking minority
276.5 members of the legislative committees having jurisdiction over child protection issues.

276.6 Sec. 78. Minnesota Statutes 2014, section 626.559, is amended by adding a subdivision
276.7 to read:

276.8 Subd. 1b. **Background studies.** (a) Effective July 1, 2016, all newly employed
276.9 county employees who have responsibility for child protective duties are required to
276.10 undergo a background study according to the requirements of chapter 245C.

276.11 (b) No later than August 31, 2016, all county employees who have responsibility
276.12 for child protective duties and who were employed prior to July 1, 2016, must undergo a
276.13 background study according to the requirements of chapter 245C.

276.14 Sec. 79. Laws 2014, chapter 189, section 5, is amended to read:

276.15 Sec. 5. Minnesota Statutes 2012, section 518C.201, is amended to read:

276.16 **518C.201 BASES FOR JURISDICTION OVER NONRESIDENT.**

276.17 (a) In a proceeding to establish, or enforce, ~~or modify~~ a support order or to determine
276.18 parentage of a child, a tribunal of this state may exercise personal jurisdiction over a
276.19 nonresident individual or the individual's guardian or conservator if:

276.20 (1) the individual is personally served with a summons or comparable document
276.21 within this state;

276.22 (2) the individual submits to the jurisdiction of this state by consent, by entering a
276.23 general appearance, or by filing a responsive document having the effect of waiving any
276.24 contest to personal jurisdiction;

276.25 (3) the individual resided with the child in this state;

276.26 (4) the individual resided in this state and provided prenatal expenses or support
276.27 for the child;

276.28 (5) the child resides in this state as a result of the acts or directives of the individual;

276.29 (6) the individual engaged in sexual intercourse in this state and the child may have
276.30 been conceived by that act of intercourse;

276.31 (7) the individual asserted parentage of a child under sections 257.51 to 257.75; or

276.32 (8) there is any other basis consistent with the constitutions of this state and the
276.33 United States for the exercise of personal jurisdiction.

277.1 (b) The bases of personal jurisdiction in paragraph (a) or in any other law of this state
277.2 may not be used to acquire personal jurisdiction for a tribunal of this state to modify a child
277.3 support order of another state unless the requirements of section 518C.611 are met, or, in
277.4 the case of a foreign support order, unless the requirements of section 518C.615 are met.

277.5 Sec. 80. Laws 2014, chapter 189, section 10, is amended to read:

277.6 Sec. 10. Minnesota Statutes 2012, section 518C.206, is amended to read:

277.7 **518C.206 ENFORCEMENT AND MODIFICATION OF SUPPORT ORDER**
277.8 **BY TRIBUNAL HAVING CONTINUING JURISDICTION TO ENFORCE CHILD**
277.9 **SUPPORT ORDER.**

277.10 (a) A tribunal of this state that has issued a child support order consistent with the
277.11 law of this state may serve as an initiating tribunal to request a tribunal of another state
277.12 to enforce:

277.13 (1) the order if the order is the controlling order and has not been modified by
277.14 a tribunal of another state that assumed jurisdiction pursuant to ~~this chapter or a law~~
277.15 ~~substantially similar to this chapter~~ the Uniform Interstate Family Support Act; or

277.16 (2) a money judgment for arrears of support and interest on the order accrued before
277.17 a determination that an order of a tribunal of another state is the controlling order.

277.18 (b) A tribunal of this state having continuing, ~~exclusive~~ jurisdiction over a support
277.19 order may act as a responding tribunal to enforce the order.

277.20 Sec. 81. Laws 2014, chapter 189, section 11, is amended to read:

277.21 Sec. 11. Minnesota Statutes 2012, section 518C.207, is amended to read:

277.22 **518C.207 RECOGNITION DETERMINATION OF CONTROLLING CHILD**
277.23 **SUPPORT ORDER.**

277.24 (a) If a proceeding is brought under this chapter and only one tribunal has issued a
277.25 child support order, the order of that tribunal ~~is controlling~~ controls and must be recognized.

277.26 (b) If a proceeding is brought under this chapter, and two or more child support
277.27 orders have been issued by tribunals of this state, another state, or a foreign country with
277.28 regard to the same obligor and child, a tribunal of this state having personal jurisdiction
277.29 over both the obligor and the individual obligee shall apply the following rules and by
277.30 order shall determine which order controls and must be recognized:

277.31 (1) If only one of the tribunals would have continuing, exclusive jurisdiction under
277.32 this chapter, the order of that tribunal ~~is controlling~~ controls.

277.33 (2) If more than one of the tribunals would have continuing, exclusive jurisdiction
277.34 under this chapter:

278.1 (i) an order issued by a tribunal in the current home state of the child controls; or
278.2 (ii) if an order has not been issued in the current home state of the child, the order
278.3 most recently issued controls.

278.4 (3) If none of the tribunals would have continuing, exclusive jurisdiction under this
278.5 chapter, the tribunal of this state shall issue a child support order, which controls.

278.6 (c) If two or more child support orders have been issued for the same obligor and
278.7 child, upon request of a party who is an individual or that is a support enforcement agency,
278.8 a tribunal of this state having personal jurisdiction over both the obligor and the obligee
278.9 who is an individual shall determine which order controls under paragraph (b). The
278.10 request may be filed with a registration for enforcement or registration for modification
278.11 pursuant to sections 518C.601 to 518C.616, or may be filed as a separate proceeding.

278.12 (d) A request to determine which is the controlling order must be accompanied
278.13 by a copy of every child support order in effect and the applicable record of payments.
278.14 The requesting party shall give notice of the request to each party whose rights may
278.15 be affected by the determination.

278.16 (e) The tribunal that issued the controlling order under paragraph (a), (b), or (c) has
278.17 continuing jurisdiction to the extent provided in section 518C.205, or 518C.206.

278.18 (f) A tribunal of this state which determines by order which is the controlling order
278.19 under paragraph (b), clause (1) or (2), or paragraph (c), or which issues a new controlling
278.20 child support order under paragraph (b), clause (3), shall state in that order:

278.21 (1) the basis upon which the tribunal made its determination;

278.22 (2) the amount of prospective support, if any; and

278.23 (3) the total amount of consolidated arrears and accrued interest, if any, under all of
278.24 the orders after all payments made are credited as provided by section 518C.209.

278.25 (g) Within 30 days after issuance of the order determining which is the controlling
278.26 order, the party obtaining that order shall file a certified copy of it with each tribunal that
278.27 issued or registered an earlier order of child support. A party or support enforcement
278.28 agency obtaining the order that fails to file a certified copy is subject to appropriate
278.29 sanctions by a tribunal in which the issue of failure to file arises. The failure to file does
278.30 not affect the validity or enforceability of the controlling order.

278.31 (h) An order that has been determined to be the controlling order, or a judgment for
278.32 consolidated arrears of support and interest, if any, made pursuant to this section must be
278.33 recognized in proceedings under this chapter.

278.34 Sec. 82. Laws 2014, chapter 189, section 16, is amended to read:

279.1 Sec. 16. Minnesota Statutes 2012, section 518C.301, is amended to read:

279.2 **518C.301 PROCEEDINGS UNDER THIS CHAPTER.**

279.3 (a) Except as otherwise provided in this chapter, sections 518C.301 to 518C.319
279.4 apply to all proceedings under this chapter.

279.5 ~~(b) This chapter provides for the following proceedings:~~

279.6 ~~(1) establishment of an order for spousal support or child support pursuant to
279.7 section 518C.401;~~

279.8 ~~(2) enforcement of a support order and income-withholding order of another state or
279.9 a foreign country without registration pursuant to sections 518C.501 and 518C.502;~~

279.10 ~~(3) registration of an order for spousal support or child support of another state or a
279.11 foreign country for enforcement pursuant to sections 518C.601 to 518C.612;~~

279.12 ~~(4) modification of an order for child support or spousal support issued by a tribunal
279.13 of this state pursuant to sections 518C.203 to 518C.206;~~

279.14 ~~(5) registration of an order for child support of another state or a foreign country for
279.15 modification pursuant to sections 518C.601 to 518C.612;~~

279.16 ~~(6) determination of parentage of a child pursuant to section 518C.701; and~~

279.17 ~~(7) assertion of jurisdiction over nonresidents pursuant to sections 518C.201 and
279.18 518C.202.~~

279.19 ~~(e)~~ (b) An individual petitioner or a support enforcement agency may commence
279.20 a proceeding authorized under this chapter by filing a petition in an initiating tribunal
279.21 for forwarding to a responding tribunal or by filing a petition or a comparable pleading
279.22 directly in a tribunal of another state or a foreign country which has or can obtain personal
279.23 jurisdiction over the respondent.

279.24 Sec. 83. Laws 2014, chapter 189, section 17, is amended to read:

279.25 Sec. 17. Minnesota Statutes 2012, section 518C.303, is amended to read:

279.26 **518C.303 APPLICATION OF LAW OF THIS STATE.**

279.27 Except as otherwise provided by this chapter, a responding tribunal of this state shall:

279.28 (1) apply the procedural and substantive law, ~~including the rules on choice of law,~~
279.29 generally applicable to similar proceedings originating in this state and may exercise all
279.30 powers and provide all remedies available in those proceedings; and

279.31 (2) determine the duty of support and the amount payable in accordance with the
279.32 law and support guidelines of this state.

279.33 Sec. 84. Laws 2014, chapter 189, section 18, is amended to read:

280.1 Sec. 18. Minnesota Statutes 2012, section 518C.304, is amended to read:

280.2 **518C.304 DUTIES OF INITIATING TRIBUNAL.**

280.3 (a) Upon the filing of a petition authorized by this chapter, an initiating tribunal of
280.4 this state shall forward the petition and its accompanying documents:

280.5 (1) to the responding tribunal or appropriate support enforcement agency in the
280.6 responding state; or

280.7 (2) if the identity of the responding tribunal is unknown, to the state information
280.8 agency of the responding state with a request that they be forwarded to the appropriate
280.9 tribunal and that receipt be acknowledged.

280.10 (b) If requested by the responding tribunal, a tribunal of this state shall issue a
280.11 certificate or other documents and make findings required by the law of the responding
280.12 state. If the responding tribunal is in a foreign country, upon request the tribunal of this
280.13 state shall specify the amount of support sought, convert that amount into the equivalent
280.14 amount in the foreign currency under applicable official or market exchange rate as
280.15 publicly reported, and provide other documents necessary to satisfy the requirements of
280.16 the responding foreign tribunal.

280.17 Sec. 85. Laws 2014, chapter 189, section 19, is amended to read:

280.18 Sec. 19. Minnesota Statutes 2012, section 518C.305, is amended to read:

280.19 **518C.305 DUTIES AND POWERS OF RESPONDING TRIBUNAL.**

280.20 (a) When a responding tribunal of this state receives a petition or comparable
280.21 pleading from an initiating tribunal or directly pursuant to section 518C.301, paragraph (e)
280.22 (b), it shall cause the petition or pleading to be filed and notify the petitioner where and
280.23 when it was filed.

280.24 (b) A responding tribunal of this state, to the extent ~~otherwise authorized by~~ not
280.25 prohibited by other law, may do one or more of the following:

280.26 (1) establish or enforce a support order, modify a child support order, determine the
280.27 controlling child support order, or to determine parentage of a child;

280.28 (2) order an obligor to comply with a support order, specifying the amount and
280.29 the manner of compliance;

280.30 (3) order income withholding;

280.31 (4) determine the amount of any arrearages, and specify a method of payment;

280.32 (5) enforce orders by civil or criminal contempt, or both;

280.33 (6) set aside property for satisfaction of the support order;

280.34 (7) place liens and order execution on the obligor's property;

281.1 (8) order an obligor to keep the tribunal informed of the obligor's current residential
281.2 address, electronic mail address, telephone number, employer, address of employment,
281.3 and telephone number at the place of employment;

281.4 (9) issue a bench warrant for an obligor who has failed after proper notice to appear
281.5 at a hearing ordered by the tribunal and enter the bench warrant in any local and state
281.6 computer systems for criminal warrants;

281.7 (10) order the obligor to seek appropriate employment by specified methods;

281.8 (11) award reasonable attorney's fees and other fees and costs; and

281.9 (12) grant any other available remedy.

281.10 (c) A responding tribunal of this state shall include in a support order issued under
281.11 this chapter, or in the documents accompanying the order, the calculations on which
281.12 the support order is based.

281.13 (d) A responding tribunal of this state may not condition the payment of a support
281.14 order issued under this chapter upon compliance by a party with provisions for visitation.

281.15 (e) If a responding tribunal of this state issues an order under this chapter, the
281.16 tribunal shall send a copy of the order to the petitioner and the respondent and to the
281.17 initiating tribunal, if any.

281.18 (f) If requested to enforce a support order, arrears, or judgment or modify a support
281.19 order stated in a foreign currency, a responding tribunal of this state shall convert the
281.20 amount stated in the foreign currency to the equivalent amount in dollars under the
281.21 applicable official or market exchange rate as publicly reported.

281.22 Sec. 86. Laws 2014, chapter 189, section 23, is amended to read:

281.23 Sec. 23. Minnesota Statutes 2012, section 518C.310, is amended to read:

281.24 **518C.310 DUTIES OF STATE INFORMATION AGENCY.**

281.25 (a) The unit within the Department of Human Services that receives and disseminates
281.26 incoming interstate actions under title IV-D of the Social Security Act is the State
281.27 Information Agency under this chapter.

281.28 (b) The State Information Agency shall:

281.29 (1) compile and maintain a current list, including addresses, of the tribunals in this
281.30 state which have jurisdiction under this chapter and any support enforcement agencies in
281.31 this state and transmit a copy to the state information agency of every other state;

281.32 (2) maintain a register of names and addresses of tribunals and support enforcement
281.33 agencies received from other states;

281.34 (3) forward to the appropriate tribunal in the place in this state in which the
281.35 individual obligee or the obligor resides, or in which the obligor's property is believed

282.1 to be located, all documents concerning a proceeding under this chapter received from
282.2 another state or a foreign country; and

282.3 (4) obtain information concerning the location of the obligor and the obligor's
282.4 property within this state not exempt from execution, by such means as postal verification
282.5 and federal or state locator services, examination of telephone directories, requests for the
282.6 obligor's address from employers, and examination of governmental records, including, to
282.7 the extent not prohibited by other law, those relating to real property, vital statistics, law
282.8 enforcement, taxation, motor vehicles, driver's licenses, and Social Security.

282.9 Sec. 87. Laws 2014, chapter 189, section 24, is amended to read:

282.10 Sec. 24. Minnesota Statutes 2012, section 518C.311, is amended to read:

282.11 **518C.311 PLEADINGS AND ACCOMPANYING DOCUMENTS.**

282.12 (a) A petitioner seeking to establish or modify a support order, determine parentage
282.13 of a child, or register and modify a support order of a tribunal of another state or a foreign
282.14 country, in a proceeding under this chapter must file a petition. Unless otherwise ordered
282.15 under section 518C.312, the petition or accompanying documents must provide, so far
282.16 as known, the name, residential address, and Social Security numbers of the obligor and
282.17 the obligee or parent and alleged parent, and the name, sex, residential address, Social
282.18 Security number, and date of birth of each child for whom support is sought or whose
282.19 ~~parenthood~~ parentage is to be determined. Unless filed at the time of registration, the
282.20 petition must be accompanied by a ~~certified~~ copy of any support order ~~in effect~~ known
282.21 to have been issued by another tribunal. The petition may include any other information
282.22 that may assist in locating or identifying the respondent.

282.23 (b) The petition must specify the relief sought. The petition and accompanying
282.24 documents must conform substantially with the requirements imposed by the forms
282.25 mandated by federal law for use in cases filed by a support enforcement agency.

282.26 Sec. 88. Laws 2014, chapter 189, section 27, is amended to read:

282.27 Sec. 27. Minnesota Statutes 2012, section 518C.314, is amended to read:

282.28 **518C.314 LIMITED IMMUNITY OF PETITIONER.**

282.29 (a) Participation by a petitioner in a proceeding under this chapter before a
282.30 responding tribunal, whether in person, by private attorney, or through services provided
282.31 by the support enforcement agency, does not confer personal jurisdiction over the
282.32 petitioner in another proceeding.

282.33 (b) A petitioner is not amenable to service of civil process while physically present
282.34 in this state to participate in a proceeding under this chapter.

283.1 (c) The immunity granted by this section does not extend to civil litigation based on
283.2 acts unrelated to a proceeding under this chapter committed by a party while physically
283.3 present in this state to participate in the proceeding.

283.4 Sec. 89. Laws 2014, chapter 189, section 28, is amended to read:

283.5 Sec. 28. Minnesota Statutes 2012, section 518C.316, is amended to read:

283.6 **518C.316 SPECIAL RULES OF EVIDENCE AND PROCEDURE.**

283.7 (a) The physical presence of ~~the petitioner~~ a nonresident party who is an individual
283.8 in a ~~responding~~ tribunal of this state is not required for the establishment, enforcement,
283.9 or modification of a support order or the rendition of a judgment determining parentage
283.10 of a child.

283.11 (b) ~~A verified petition,~~ An affidavit, a document substantially complying with
283.12 federally mandated forms, and or a document incorporated by reference in any of them,
283.13 not excluded under the hearsay rule if given in person, is admissible in evidence if given
283.14 under oath penalty of perjury by a party or witness residing outside this state.

283.15 (c) A copy of the record of child support payments certified as a true copy of the
283.16 original by the custodian of the record may be forwarded to a responding tribunal. The copy
283.17 is evidence of facts asserted in it, and is admissible to show whether payments were made.

283.18 (d) Copies of bills for testing for parentage of a child, and for prenatal and postnatal
283.19 health care of the mother and child, furnished to the adverse party at least ten days before
283.20 trial, are admissible in evidence to prove the amount of the charges billed and that the
283.21 charges were reasonable, necessary, and customary.

283.22 (e) Documentary evidence transmitted from outside this state to a tribunal of this state
283.23 by telephone, telecopier, or other electronic means that do not provide an original record
283.24 may not be excluded from evidence on an objection based on the means of transmission.

283.25 (f) In a proceeding under this chapter, a tribunal of this state shall permit a party
283.26 or witness residing outside this state to be deposed or to testify under penalty of perjury
283.27 by telephone, audiovisual means, or other electronic means at a designated tribunal or
283.28 other location. A tribunal of this state shall cooperate with other tribunals in designating
283.29 an appropriate location for the deposition or testimony.

283.30 (g) If a party called to testify at a civil hearing refuses to answer on the ground that
283.31 the testimony may be self-incriminating, the trier of fact may draw an adverse inference
283.32 from the refusal.

283.33 (h) A privilege against disclosure of communications between spouses does not
283.34 apply in a proceeding under this chapter.

284.1 (i) The defense of immunity based on the relationship of husband and wife or parent
284.2 and child does not apply in a proceeding under this chapter.

284.3 (j) A voluntary acknowledgment of paternity, certified as a true copy, is admissible
284.4 to establish parentage of a child.

284.5 Sec. 90. Laws 2014, chapter 189, section 29, is amended to read:

284.6 Sec. 29. Minnesota Statutes 2012, section 518C.317, is amended to read:

284.7 **518C.317 COMMUNICATIONS BETWEEN TRIBUNALS.**

284.8 A tribunal of this state may communicate with a tribunal outside this state in
284.9 ~~writing, by e-mail, or a record,~~ or by telephone, electronic mail, or other means, to obtain
284.10 information concerning the laws of that state, the legal effect of a judgment, decree, or
284.11 order of that tribunal, and the status of a proceeding. A tribunal of this state may furnish
284.12 similar information by similar means to a tribunal outside this state.

284.13 Sec. 91. Laws 2014, chapter 189, section 31, is amended to read:

284.14 Sec. 31. Minnesota Statutes 2012, section 518C.319, is amended to read:

284.15 **518C.319 RECEIPT AND DISBURSEMENT OF PAYMENTS.**

284.16 (a) A support enforcement agency or tribunal of this state shall disburse promptly
284.17 any amounts received pursuant to a support order, as directed by the order. The agency
284.18 or tribunal shall furnish to a requesting party or tribunal of another state or a foreign
284.19 country a certified statement by the custodian of the record of the amounts and dates
284.20 of all payments received.

284.21 (b) If neither the obligor, ~~not~~ nor the obligee who is an individual, nor the child
284.22 resides in this state, upon request from the support enforcement agency of this state or
284.23 another state, the support enforcement agency of this state or a tribunal of this state shall:

284.24 (1) direct that the support payment be made to the support enforcement agency in
284.25 the state in which the obligee is receiving services; and

284.26 (2) issue and send to the obligor's employer a conforming income-withholding order
284.27 or an administrative notice of change of payee, reflecting the redirected payments.

284.28 (c) The support enforcement agency of this state receiving redirected payments from
284.29 another state pursuant to a law similar to paragraph (b) shall furnish to a requesting party
284.30 or tribunal of the other state a certified statement by the custodian of the record of the
284.31 amount and dates of all payments received.

284.32 Sec. 92. Laws 2014, chapter 189, section 43, is amended to read:

285.1 Sec. 43. Minnesota Statutes 2012, section 518C.604, is amended to read:

285.2 **518C.604 CHOICE OF LAW.**

285.3 (a) Except as otherwise provided in paragraph (d), the law of the issuing state or
285.4 foreign country governs:

285.5 (1) the nature, extent, amount, and duration of current payments under a registered
285.6 support order;

285.7 (2) the computation and payment of arrearages and accrual of interest on the
285.8 arrearages under the support order; and

285.9 (3) the existence and satisfaction of other obligations under the support order.

285.10 (b) In a proceeding for arrearages under a registered support order, the statute of
285.11 limitation under the laws of this state or of the issuing state or foreign country, whichever
285.12 is longer, applies.

285.13 (c) A responding tribunal of this state shall apply the procedures and remedies of
285.14 this state to enforce current support and collect arrears and interest due on a support order
285.15 of another state or a foreign country registered in this state.

285.16 (d) After a tribunal of this state or another state determines which is the controlling
285.17 order and issues an order consolidating arrears, if any, a tribunal of this state shall
285.18 prospectively apply the law of the state or foreign country issuing the controlling order,
285.19 including its law on interest on arrears, on current and future support, and on consolidated
285.20 arrears.

285.21 Sec. 93. Laws 2014, chapter 189, section 50, is amended to read:

285.22 Sec. 50. Minnesota Statutes 2012, section 518C.611, is amended to read:

285.23 **518C.611 MODIFICATION OF CHILD SUPPORT ORDER OF ANOTHER**
285.24 **STATE.**

285.25 (a) If section 518C.613 does not apply, upon petition a tribunal of this state may
285.26 modify a child support order issued in another state that is registered in this state if, after
285.27 notice and hearing, it finds that:

285.28 (1) the following requirements are met:

285.29 (i) neither the child, nor the obligee who is an individual, nor the obligor resides
285.30 in the issuing state;

285.31 (ii) a petitioner who is a nonresident of this state seeks modification; and

285.32 (iii) the respondent is subject to the personal jurisdiction of the tribunal of this state; or

285.33 (2) this state is the residence of the child, or a party who is an individual is subject to
285.34 the personal jurisdiction of the tribunal of this state and all of the parties who are individuals

286.1 have filed ~~written~~ consents in a record in the issuing tribunal for a tribunal of this state to
286.2 modify the support order and assume continuing, exclusive jurisdiction ~~over the order~~.

286.3 (b) Modification of a registered child support order is subject to the same
286.4 requirements, procedures, and defenses that apply to the modification of an order issued
286.5 by a tribunal of this state and the order may be enforced and satisfied in the same manner.

286.6 (c) A tribunal of this state may not modify any aspect of a child support order that
286.7 may not be modified under the law of the issuing state, including the duration of the
286.8 obligation of support. If two or more tribunals have issued child support orders for the
286.9 same obligor and child, the order that controls and must be recognized under section
286.10 518C.207 establishes the aspects of the support order which are nonmodifiable.

286.11 (d) In a proceeding to modify a child support order, the law of the state that is
286.12 determined to have issued the initial controlling order governs the duration of the
286.13 obligation of support. The obligor's fulfillment of the duty of support established by that
286.14 order precludes imposition of a further obligation of support by a tribunal of this state.

286.15 (e) On issuance of an order by a tribunal of this state modifying a child support order
286.16 issued in another state, a tribunal of this state becomes the tribunal having continuing,
286.17 exclusive jurisdiction.

286.18 (f) Notwithstanding paragraphs (a) to ~~(d)~~ (e) and section 518C.201, paragraph (b),
286.19 a tribunal of this state retains jurisdiction to modify an order issued by a tribunal of this
286.20 state if:

- 286.21 (1) one party resides in another state; and
286.22 (2) the other party resides outside the United States.

286.23 Sec. 94. Laws 2014, chapter 189, section 51, is amended to read:

286.24 Sec. 51. Minnesota Statutes 2012, section 518C.612, is amended to read:

286.25 **518C.612 RECOGNITION OF ORDER MODIFIED IN ANOTHER STATE.**

286.26 If a child support order issued by a tribunal of this state is modified by a tribunal of
286.27 another state which assumed jurisdiction ~~according to this chapter or a law substantially~~
286.28 ~~similar to this chapter~~ pursuant to the Uniform Interstate Family Support Act, a tribunal of
286.29 this state:

286.30 (1) may enforce its order that was modified only as to arrears and interest accruing
286.31 before the modification;

286.32 (2) may provide appropriate relief for violations of its order which occurred before
286.33 the effective date of the modification; and

286.34 (3) shall recognize the modifying order of the other state, upon registration, for the
286.35 purpose of enforcement.

287.1 Sec. 95. Laws 2014, chapter 189, section 73, is amended to read:

287.2 Sec. 73. **EFFECTIVE DATE.**

287.3 This act ~~becomes~~ is effective on the date that the United States deposits the
287.4 instrument of ratification for the Hague Convention on the International Recovery of Child
287.5 Support and Other Forms of Family Maintenance with the Hague Conference on Private
287.6 International Law July 1, 2015.

287.7 **EFFECTIVE DATE.** This section is effective July 1, 2015.

287.8 Sec. 96. **CHILD SUPPORT WORK GROUP.**

287.9 (a) A child support work group is established to review the parenting expense
287.10 adjustment in Minnesota Statutes, section 518A.36, and to identify and recommend
287.11 changes to the parenting expense adjustment.

287.12 (b) Members of the work group shall include:

287.13 (1) two members of the house of representatives, one appointed by the speaker of the
287.14 house and one appointed by the minority leader;

287.15 (2) two members of the senate, one appointed by the majority leader and one
287.16 appointed by the minority leader;

287.17 (3) the commissioner of human services or a designee;

287.18 (4) one staff member from the Child Support Division of the Department of Human
287.19 Services, appointed by the commissioner;

287.20 (5) one representative of the Minnesota State Bar Association, Family Law section,
287.21 appointed by the section;

287.22 (6) one representative of the Minnesota County Attorney's Association, appointed
287.23 by the association;

287.24 (7) one representative of the Minnesota Legal Services Coalition, appointed by
287.25 the coalition;

287.26 (8) one representative of the Minnesota Family Support and Recovery Council,
287.27 appointed by the council; and

287.28 (9) two representatives from parent advocacy groups, one representing custodial
287.29 parents and one representing noncustodial parents, appointed by the commissioner of
287.30 human services.

287.31 The commissioner, or the commissioner's designee, shall appoint the work group chair.

287.32 (c) The work group shall be authorized to retain the services of an economist to help
287.33 create an equitable parenting expense adjustment formula. The work group may hire an
287.34 economist by use of a sole-source contract.

288.1 (d) The work group shall issue a report to the chairs and ranking minority members
288.2 of the legislative committees with jurisdiction over civil law, judiciary, and health and
288.3 human services by January 15, 2016. The report must include recommendations for
288.4 changes to the computation of child support and recommendations on the composition
288.5 of a permanent child support task force.

288.6 (e) Terms, compensation, and removal of members and the filling of vacancies are
288.7 governed by Minnesota Statutes, section 15.059.

288.8 (f) The work group expires January 16, 2016.

288.9 **Sec. 97. INSTRUCTIONS TO COMMISSIONER; SCREENING GUIDELINES.**

288.10 (a) No later than August 1, 2015, the commissioner of human services shall
288.11 update the child maltreatment screening guidelines to require agencies to consider prior
288.12 screened-out reports when determining whether a new report will be screened out or will
288.13 be accepted for investigation or assessment. The updated guidelines must emphasize that
288.14 intervention and prevention efforts are to focus on child safety and the ongoing risk of child
288.15 abuse or neglect and that the health and safety of children are of paramount concern. The
288.16 commissioner must consult with county attorneys while developing the updated guidelines.

288.17 (b) No later than September 30, 2015, the commissioner shall publish and distribute
288.18 the updated guidelines and ensure that all agency staff have received training on the
288.19 updated guidelines.

288.20 (c) Agency staff must implement the guidelines on October 1, 2015.

288.21 **Sec. 98. INSTRUCTIONS TO THE COMMISSIONER; CHILD**
288.22 **MALTREATMENT SCREENING GUIDELINES.**

288.23 (a) No later than August 1, 2015, the commissioner of human services shall update the
288.24 child maltreatment screening guidelines to require agencies to consider prior reports that
288.25 were not screened in when determining whether a new report will or will not be screened
288.26 in. The updated guidelines must emphasize that intervention and prevention efforts are to
288.27 focus on child safety and the ongoing risk of child abuse or neglect, and that the health and
288.28 safety of children are of paramount concern. The commissioner shall work with a diverse
288.29 group of community representatives who are experts on limiting cultural and ethnic bias
288.30 when developing the updated guidelines. The guidelines must be developed with special
288.31 sensitivity to reducing system bias with regard to screening and assessment tools.

288.32 (b) No later than September 30, 2015, the commissioner shall publish and distribute
288.33 the updated guidelines and ensure that all agency staff have received training on the
288.34 updated guidelines.

289.1 (c) Agency staff must implement the guidelines by October 1, 2015.

289.2 **Sec. 99. COMMISSIONER'S DUTY TO PROVIDE TRAINING TO CHILD**
289.3 **PROTECTION SUPERVISORS.**

289.4 The commissioner shall establish requirements for competency-based initial
289.5 training, support, and continuing education for child protection supervisors. This includes
289.6 developing a set of competencies specific to child protection supervisor knowledge, skills,
289.7 and attitudes based on the Minnesota Child Welfare Practice Model. Competency-based
289.8 training of supervisors must advance continuous emphasis and improvement in skills that
289.9 promote the use of the client's culture as a resource and the ability to integrate the client's
289.10 traditions, customs, values, and faith into service delivery.

289.11 **Sec. 100. CHILD PROTECTION UPDATED FORMULA.**

289.12 The commissioner of human services shall evaluate the formulas in Minnesota
289.13 Statutes, section 256M.41, and recommend an updated equitable distribution formula
289.14 beginning in fiscal year 2018, for funding child protection staffing and expanded services
289.15 to counties and tribes, taking into consideration any relief to counties and tribes for child
289.16 welfare and foster care costs, additional tribes delivering social services, and any other
289.17 relevant information that should be considered in developing a new distribution formula.
289.18 The commissioner shall report to the legislative committees having jurisdiction over child
289.19 protection issues by December 15, 2016.

289.20 **Sec. 101. LEGISLATIVE TASK FORCE; CHILD PROTECTION.**

289.21 (a) A legislative task force is created to:

289.22 (1) review the efforts being made to implement the recommendations of the
289.23 Governor's Task Force on the Protection of Children;

289.24 (2) expand the efforts into related areas of the child welfare system;

289.25 (3) work with the commissioner and community partners to establish and evaluate
289.26 child protection grants to address disparities in child welfare pursuant to Minnesota
289.27 Statutes, section 256E.28; and

289.28 (4) identify additional areas within the child welfare system that need to be addressed
289.29 by the legislature.

289.30 (b) The four legislative members of the governor's task force shall be the members
289.31 of the legislative task force. They may appoint up to eight legislators as ex officio
289.32 members of the task force.

289.33 (c) The task force may provide oversight and monitoring of:

290.1 (1) the efforts by the Department of Human Services, counties, and tribes to
290.2 implement laws related to child protection;

290.3 (2) efforts by the Department of Human Services, counties, and tribes to implement
290.4 the recommendations of the Governor's Task Force on the Protection of Children;

290.5 (3) efforts by agencies, including but not limited to the Minnesota Department
290.6 of Education, the Minnesota Housing Finance Agency, the Minnesota Department of
290.7 Corrections, and the Minnesota Department of Public Safety, to work with the Department
290.8 of Human Services to assure safety and well-being for children at risk of harm or children
290.9 in the child welfare system;

290.10 (4) efforts by the Department of Human Services, other agencies, counties, and
290.11 tribes to implement best practices to ensure every child is protected from maltreatment
290.12 and neglect and to ensure every child has the opportunity for healthy development.

290.13 (d) The task force, in cooperation with the commissioner of human services, shall
290.14 issue a report to the legislature and governor February 1, 2016, and February 1, 2017.
290.15 The report must contain information on the progress toward implementation of changes
290.16 to the child protection system; recommendations for additional legislative changes and
290.17 procedures affecting child protection and child welfare; and funding needs to implement
290.18 recommended changes.

290.19 (e) The task force shall convene upon enactment of this act and shall continue until
290.20 the last day of the 2017 legislative session.

290.21 **ARTICLE 8**

290.22 **CHEMICAL AND MENTAL HEALTH**

290.23 Section 1. Minnesota Statutes 2014, section 13.46, subdivision 2, is amended to read:

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

290.27 (1) according to section 13.05;

290.28 (2) according to court order;

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

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

290.34 (5) to personnel of the welfare system who require the data to verify an individual's
290.35 identity; determine eligibility, amount of assistance, and the need to provide services

291.1 to an individual or family across programs; coordinate services for an individual or
291.2 family; evaluate the effectiveness of programs; assess parental contribution amounts;
291.3 and investigate suspected fraud;

291.4 (6) to administer federal funds or programs;

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

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

291.17 (9) between the Department of Human Services, the Department of Employment
291.18 and Economic Development, and when applicable, the Department of Education, for
291.19 the following purposes:

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

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

291.24 (iii) to monitor and evaluate the Minnesota family investment program or the child
291.25 care assistance program by exchanging data on recipients and former recipients of food
291.26 support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance
291.27 under chapter 119B, or medical programs under chapter 256B, 256D, or 256L; and

291.28 (iv) to analyze public assistance employment services and program utilization,
291.29 cost, effectiveness, and outcomes as implemented under the authority established in Title
291.30 II, Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of
291.31 1999. Health records governed by sections 144.291 to 144.298 and "protected health
291.32 information" as defined in Code of Federal Regulations, title 45, section 160.103, and
291.33 governed by Code of Federal Regulations, title 45, parts 160-164, including health care
291.34 claims utilization information, must not be exchanged under this clause;

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

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

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

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

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

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

292.23 (i) the participant:

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

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

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

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

292.31 (16) the current address of a recipient of general assistance or general assistance
292.32 medical care may be disclosed to probation officers and corrections agents who are
292.33 supervising the recipient and to law enforcement officers who are investigating the
292.34 recipient in connection with a felony level offense;

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

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

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

293.7 (i) the member:

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

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

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

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

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

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

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

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

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

293.31 (23) to the Department of Education for the purpose of matching Department of
293.32 Education student data with public assistance data to determine students eligible for free
293.33 and reduced-price meals, meal supplements, and free milk according to United States
293.34 Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and
293.35 state funds that are distributed based on income of the student's family; and to verify
293.36 receipt of energy assistance for the telephone assistance plan;

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

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

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

294.13 (27) to monitor and evaluate the Minnesota family investment program by
294.14 exchanging data between the Departments of Human Services and Education, on
294.15 recipients and former recipients of food support, cash assistance under chapter 256, 256D,
294.16 256J, or 256K, child care assistance under chapter 119B, or medical programs under
294.17 chapter 256B, 256D, or 256L;

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

294.24 (29) counties operating child care assistance programs under chapter 119B may
294.25 disseminate data on program participants, applicants, and providers to the commissioner
294.26 of education; ~~or~~

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

294.30 (31) to a health care provider governed by sections 144.291 to 144.298, to the extent
294.31 necessary to coordinate services, provided that a health record may be disclosed only as
294.32 provided under section 144.293, if the patient has provided annual consent, consistent
294.33 with section 144.293, subdivisions 2 and 4.

294.34 (b) Information on persons who have been treated for drug or alcohol abuse may
294.35 only be disclosed according to the requirements of Code of Federal Regulations, title
294.36 42, sections 2.1 to 2.67.

295.1 (c) Data provided to law enforcement agencies under paragraph (a), clause (15),
295.2 (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected
295.3 nonpublic while the investigation is active. The data are private after the investigation
295.4 becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

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

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

295.9 Sec. 2. Minnesota Statutes 2014, section 13.46, subdivision 7, is amended to read:

295.10 Subd. 7. **Mental health data.** (a) Mental health data are private data on individuals
295.11 and shall not be disclosed, except:

295.12 (1) pursuant to section 13.05, as determined by the responsible authority for the
295.13 community mental health center, mental health division, or provider;

295.14 (2) pursuant to court order;

295.15 (3) pursuant to a statute specifically authorizing access to or disclosure of mental
295.16 health data or as otherwise provided by this subdivision; ~~or~~

295.17 (4) to personnel of the welfare system working in the same program or providing
295.18 services to the same individual or family to the extent necessary to coordinate services,
295.19 provided that a health record may be disclosed only as provided under section 144.293, if
295.20 the patient has provided annual consent, consistent with section 144.293, subdivisions
295.21 2 and 4;

295.22 (5) to a health care provider governed by sections 144.291 to 144.298, to the extent
295.23 necessary to coordinate services, provided that a health record may be disclosed only as
295.24 provided under section 144.293, if the patient has provided annual consent, consistent with
295.25 section 144.293, subdivisions 2 and 4; or

295.26 (6) with the consent of the client or patient.

295.27 (b) An agency of the welfare system may not require an individual to consent to the
295.28 release of mental health data as a condition for receiving services or for reimbursing a
295.29 community mental health center, mental health division of a county, or provider under
295.30 contract to deliver mental health services.

295.31 (c) Notwithstanding section 245.69, subdivision 2, paragraph (f), or any other law
295.32 to the contrary, the responsible authority for a community mental health center, mental
295.33 health division of a county, or a mental health provider must disclose mental health data to
295.34 a law enforcement agency if the law enforcement agency provides the name of a client or
295.35 patient and communicates that the:

296.1 (1) client or patient is currently involved in an emergency interaction with the law
296.2 enforcement agency; and

296.3 (2) data is necessary to protect the health or safety of the client or patient or of
296.4 another person.

296.5 The scope of disclosure under this paragraph is limited to the minimum necessary for
296.6 law enforcement to respond to the emergency. Disclosure under this paragraph may include,
296.7 but is not limited to, the name and telephone number of the psychiatrist, psychologist,
296.8 therapist, mental health professional, practitioner, or case manager of the client or patient.
296.9 A law enforcement agency that obtains mental health data under this paragraph shall
296.10 maintain a record of the requestor, the provider of the information, and the client or patient
296.11 name. Mental health data obtained by a law enforcement agency under this paragraph
296.12 are private data on individuals and must not be used by the law enforcement agency for
296.13 any other purpose. A law enforcement agency that obtains mental health data under this
296.14 paragraph shall inform the subject of the data that mental health data was obtained.

296.15 (d) In the event of a request under paragraph (a), clause (4), a community mental
296.16 health center, county mental health division, or provider must release mental health data to
296.17 Criminal Mental Health Court personnel in advance of receiving a copy of a consent if the
296.18 Criminal Mental Health Court personnel communicate that the:

296.19 (1) client or patient is a defendant in a criminal case pending in the district court;

296.20 (2) data being requested is limited to information that is necessary to assess whether
296.21 the defendant is eligible for participation in the Criminal Mental Health Court; and

296.22 (3) client or patient has consented to the release of the mental health data and a copy
296.23 of the consent will be provided to the community mental health center, county mental
296.24 health division, or provider within 72 hours of the release of the data.

296.25 For purposes of this paragraph, "Criminal Mental Health Court" refers to a specialty
296.26 criminal calendar of the Hennepin County District Court for defendants with mental illness
296.27 and brain injury where a primary goal of the calendar is to assess the treatment needs of
296.28 the defendants and to incorporate those treatment needs into voluntary case disposition
296.29 plans. The data released pursuant to this paragraph may be used for the sole purpose of
296.30 determining whether the person is eligible for participation in mental health court. This
296.31 paragraph does not in any way limit or otherwise extend the rights of the court to obtain the
296.32 release of mental health data pursuant to court order or any other means allowed by law.

296.33 Sec. 3. Minnesota Statutes 2014, section 62Q.55, subdivision 3, is amended to read:

296.34 Subd. 3. **Emergency services.** As used in this section, "emergency services" means,
296.35 with respect to an emergency medical condition:

297.1 (1) a medical screening examination, as required under section 1867 of the Social
297.2 Security Act, that is within the capability of the emergency department of a hospital,
297.3 including ancillary services routinely available to the emergency department to evaluate
297.4 such emergency medical condition; ~~and~~

297.5 (2) within the capabilities of the staff and facilities available at the hospital, such
297.6 further medical examination and treatment as are required under section 1867 of the Social
297.7 Security Act to stabilize the patient; and

297.8 (3) emergency services as defined in sections 245.462, subdivision 11, and 245.4871,
297.9 subdivision 14.

297.10 Sec. 4. Minnesota Statutes 2014, section 144.293, subdivision 5, is amended to read:

297.11 Subd. 5. **Exceptions to consent requirement.** This section does not prohibit the
297.12 release of health records:

297.13 (1) for a medical emergency when the provider is unable to obtain the patient's
297.14 consent due to the patient's condition or the nature of the medical emergency;

297.15 (2) to other providers within related health care entities when necessary for the
297.16 current treatment of the patient; ~~or~~

297.17 (3) to a health care facility licensed by this chapter, chapter 144A, or to the same
297.18 types of health care facilities licensed by this chapter and chapter 144A that are licensed
297.19 in another state when a patient:

297.20 (i) is returning to the health care facility and unable to provide consent; or

297.21 (ii) who resides in the health care facility, has services provided by an outside
297.22 resource under Code of Federal Regulations, title 42, section 483.75(h), and is unable to
297.23 provide consent; or

297.24 (4) to a program in the welfare system, as defined in section 13.46, upon written
297.25 documentation that access to the data is necessary to coordinate services for an individual
297.26 who is receiving services from the welfare system.

297.27 Sec. 5. Minnesota Statutes 2014, section 145.56, subdivision 2, is amended to read:

297.28 Subd. 2. **Community-based programs.** To the extent funds are appropriated for the
297.29 purposes of this subdivision, the commissioner shall establish a grant program to fund:

297.30 (1) community-based programs to provide education, outreach, and advocacy
297.31 services to populations who may be at risk for suicide;

297.32 (2) community-based programs that educate community helpers and gatekeepers,
297.33 such as family members, spiritual leaders, coaches, and business owners, employers, and
297.34 coworkers on how to prevent suicide by encouraging help-seeking behaviors;

298.1 (3) community-based programs that educate populations at risk for suicide and
298.2 community helpers and gatekeepers that must include information on the symptoms
298.3 of depression and other psychiatric illnesses, the warning signs of suicide, skills for
298.4 preventing suicides, and making or seeking effective referrals to intervention and
298.5 community resources; ~~and~~

298.6 (4) community-based programs to provide evidence-based suicide prevention and
298.7 intervention education to school staff, parents, and students in grades kindergarten through
298.8 12, and for students attending Minnesota colleges and universities;

298.9 (5) community-based programs to provide evidence-based suicide prevention and
298.10 intervention to public school nurses, teachers, administrators, coaches, school social
298.11 workers, peace officers, firefighters, emergency medical technicians, advanced emergency
298.12 medical technicians, paramedics, primary care providers, and others; and

298.13 (6) community-based, evidence-based postvention training to mental health
298.14 professionals and practitioners in order to provide technical assistance to communities
298.15 after a suicide and to prevent suicide clusters and contagion.

298.16 Sec. 6. Minnesota Statutes 2014, section 145.56, subdivision 4, is amended to read:

298.17 Subd. 4. **Collection and reporting suicide data.** (a) The commissioner shall
298.18 coordinate with federal, regional, local, and other state agencies to collect, analyze, and
298.19 annually issue a public report on Minnesota-specific data on suicide and suicidal behaviors.

298.20 (b) The commissioner, in consultation with stakeholders, shall submit a detailed
298.21 plan identifying proposed methods to improve the timeliness, usefulness, and quality of
298.22 suicide-related data so that the data can help identify the scope of the suicide problem,
298.23 identify high-risk groups, set priority prevention activities, and monitor the effects of
298.24 suicide prevention programs. The report shall include how to improve external cause
298.25 of injury coding, progress on implementing the Minnesota Violent Death Reporting
298.26 System, how to obtain and release data in a timely manner, and how to support the use of
298.27 psychological autopsies.

298.28 (c) The written report must be provided to the chairs and ranking minority members
298.29 of the house of representatives and senate finance and policy divisions and committees
298.30 with jurisdiction over health and human services by February 1, 2016.

298.31 Sec. 7. Minnesota Statutes 2014, section 245.467, subdivision 6, is amended to read:

298.32 Subd. 6. **Restricted access to data.** The county board shall establish procedures
298.33 to ensure that the names and addresses of persons receiving mental health services are
298.34 disclosed only to:

299.1 (1) county employees who are specifically responsible for determining county of
299.2 financial responsibility or making payments to providers; ~~and~~

299.3 (2) staff who provide treatment services or case management and their clinical
299.4 supervisors; and

299.5 (3) personnel of the welfare system or health care providers who have access to the
299.6 data under section 13.46, subdivision 7.

299.7 Release of mental health data on individuals submitted under subdivisions 4 and 5,
299.8 to persons other than those specified in this subdivision, or use of this data for purposes
299.9 other than those stated in subdivisions 4 and 5, results in civil or criminal liability under
299.10 the standards in section 13.08 or 13.09.

299.11 Only persons acting consistent with section 13.05 may enter, update, or access mental
299.12 health data on individuals submitted under subdivisions 4 and 5. The ability of authorized
299.13 persons to enter, update, or access data must be limited through the use of role-based access
299.14 that corresponds to the official duties or training level of the person, and the statutory
299.15 authorization that grants access for that purpose. For data submitted under subdivisions 4
299.16 and 5 and stored in an information system not operated by a state agency, all queries and
299.17 all actions in which records are viewed, accessed, accepted, or exited must be recorded in
299.18 a data audit trail. Data contained in the audit trail are public data, to the extent that the
299.19 data are not otherwise classified by law. The authorization of any person determined to
299.20 have willfully entered, updated, accessed, shared, or disseminated data in violation of this
299.21 section, or any other provision of law, must be immediately revoked and investigated. If a
299.22 person is determined to have willfully gained access to data without explicit authorization,
299.23 the person is subject to civil and criminal liability under sections 13.08 and 13.09.

299.24 Sec. 8. Minnesota Statutes 2014, section 245.4876, subdivision 7, is amended to read:

299.25 Subd. 7. **Restricted access to data.** The county board shall establish procedures
299.26 to ensure that the names and addresses of children receiving mental health services and
299.27 their families are disclosed only to:

299.28 (1) county employees who are specifically responsible for determining county of
299.29 financial responsibility or making payments to providers; ~~and~~

299.30 (2) staff who provide treatment services or case management and their clinical
299.31 supervisors; and

299.32 (3) personnel of the welfare system or health care providers who have access to the
299.33 data under section 13.46, subdivision 7.

299.34 Release of mental health data on individuals submitted under subdivisions 5 and 6,
299.35 to persons other than those specified in this subdivision, or use of this data for purposes

300.1 other than those stated in subdivisions 5 and 6, results in civil or criminal liability under
300.2 section 13.08 or 13.09.

300.3 Only persons acting consistent with section 13.05 may enter, update, or access mental
300.4 health data on individuals submitted under subdivisions 5 and 6. The ability of authorized
300.5 persons to enter, update, or access data must be limited through the use of role-based access
300.6 that corresponds to the official duties or training level of the person, and the statutory
300.7 authorization that grants access for that purpose. For data submitted under subdivisions 5
300.8 and 6 and stored in an information system not operated by a state agency, all queries and
300.9 all actions in which records are viewed, accessed, accepted, or exited must be recorded in
300.10 a data audit trail. Data contained in the audit trail are public data, to the extent that the
300.11 data are not otherwise classified by law. The authorization of any person determined to
300.12 have willfully entered, updated, accessed, shared, or disseminated data in violation of this
300.13 section, or any other provision of law, must be immediately revoked and investigated. If a
300.14 person is determined to have willfully gained access to data without explicit authorization,
300.15 the person is subject to civil and criminal liability under sections 13.08 and 13.09.

300.16 Sec. 9. **[245.735] EXCELLENCE IN MENTAL HEALTH DEMONSTRATION**
300.17 **PROJECT.**

300.18 Subdivision 1. **Excellence in Mental Health demonstration project.** The
300.19 commissioner may develop and execute projects to reform the mental health system by
300.20 participating in the Excellence in Mental Health demonstration project.

300.21 Subd. 2. **Federal proposal.** The commissioner may develop and submit to the
300.22 United States Department of Health and Human Services a proposal for the Excellence
300.23 in Mental Health demonstration project. The proposal shall include any necessary state
300.24 plan amendments, waivers, requests for new funding, realignment of existing funding, and
300.25 other authority necessary to implement the projects specified in subdivision 3.

300.26 Subd. 3. **Reform projects.** (a) The commissioner may establish standards for
300.27 state certification of a clinic as a certified community behavioral health clinic, in
300.28 accordance with the criteria published on or before September 1, 2015, by the United
300.29 States Department of Health and Human Services. Certification standards established by
300.30 the commissioner shall require that:

300.31 (1) clinic staff have backgrounds in diverse disciplines, include licensed mental
300.32 health professionals, and are culturally and linguistically trained to serve the needs of the
300.33 clinic's patient population;

300.34 (2) clinic services are available and accessible and crisis management services
300.35 are available 24 hours per day;

301.1 (3) fees for clinic services are established using a sliding fee scale and services to
301.2 patients are not denied or limited due to a patient's inability to pay for services;

301.3 (4) clinics provide coordination of care across settings and providers to ensure
301.4 seamless transitions for patients across the full spectrum of health services, including
301.5 acute, chronic, and behavioral needs. Care coordination may be accomplished through
301.6 partnerships or formal contracts with federally qualified health centers, inpatient
301.7 psychiatric facilities, substance use and detoxification facilities, community-based mental
301.8 health providers, and other community services, supports, and providers including
301.9 schools, child welfare agencies, juvenile and criminal justice agencies, Indian Health
301.10 Services clinics, tribally licensed health care and mental health facilities, urban Indian
301.11 health clinics, Department of Veterans Affairs medical centers, outpatient clinics, drop-in
301.12 centers, acute care hospitals, and hospital outpatient clinics; and

301.13 (5) services provided by clinics include crisis mental health services, emergency
301.14 crisis intervention services, and stabilization services; screening, assessment, and
301.15 diagnosis services, including risk assessments and level of care determinations;
301.16 patient-centered treatment planning; outpatient mental health and substance use services;
301.17 targeted case management; psychiatric rehabilitation services; peer support and counselor
301.18 services and family support services; and intensive community-based mental health
301.19 services, including mental health services for members of the armed forces and veterans.

301.20 (b) The commissioner shall establish standards and methodologies for a prospective
301.21 payment system for medical assistance payments for mental health services delivered by
301.22 certified community behavioral health clinics, in accordance with guidance issued on or
301.23 before September 1, 2015, by the Centers for Medicare and Medicaid Services. During the
301.24 operation of the demonstration project, payments shall comply with federal requirements
301.25 for a 90 percent enhanced federal medical assistance percentage.

301.26 Subd. 4. **Public participation.** In developing the projects under subdivision 3, the
301.27 commissioner shall consult with mental health providers, advocacy organizations, licensed
301.28 mental health professionals, and Minnesota health care program enrollees who receive
301.29 mental health services and their families.

301.30 Subd. 5. **Information systems support.** The commissioner and the state chief
301.31 information officer shall provide information systems support to the projects as necessary
301.32 to comply with federal requirements.

301.33 Sec. 10. Minnesota Statutes 2014, section 256B.0625, is amended by adding a
301.34 subdivision to read:

302.1 Subd. 45a. **Psychiatric residential treatment facility services for persons under**
302.2 **21 years of age.** (a) Medical assistance covers psychiatric residential treatment facility
302.3 services for persons under 21 years of age. Individuals who reach age 21 at the time they
302.4 are receiving services are eligible to continue receiving services until they no longer
302.5 require services or until they reach age 22, whichever occurs first.

302.6 (b) For purposes of this subdivision, "psychiatric residential treatment facility"
302.7 means a facility other than a hospital that provides psychiatric services, as described in
302.8 Code of Federal Regulations, title 42, sections 441.151 to 441.182, to individuals under
302.9 age 21 in an inpatient setting.

302.10 (c) The commissioner shall develop admissions and discharge procedures and
302.11 establish rates consistent with guidelines from the federal Centers for Medicare and
302.12 Medicaid Services.

302.13 (d) The commissioner shall enroll up to 150 certified psychiatric residential
302.14 treatment facility services beds at up to six sites. The commissioner shall select psychiatric
302.15 residential treatment facility services providers through a request for proposals process.
302.16 Providers of state-operated services may respond to the request for proposals.

302.17 **EFFECTIVE DATE.** This section is effective July 1, 2016, or upon federal
302.18 approval, whichever is later. The commissioner of human services shall notify the revisor
302.19 of statutes when federal approval is obtained.

302.20 Sec. 11. **[256B.7631] CHEMICAL DEPENDENCY PROVIDER RATE**
302.21 **INCREASE.**

302.22 For the chemical dependency services listed in section 254B.05, subdivision 5, and
302.23 provided on or after July 1, 2015, payment rates shall be increased by 2.5 percent over
302.24 the rates in effect on January 1, 2014, for vendors who meet the requirements of section
302.25 254B.05.

302.26 Sec. 12. **REPORT TO LEGISLATURE; PERFORMANCE MEASURES FOR**
302.27 **CHEMICAL DEPENDENCY TREATMENT SERVICES.**

302.28 The commissioner of human services, in consultation with members of the
302.29 Minnesota State Substance Abuse Strategy and representatives of counties, tribes, health
302.30 plan companies, and chemical dependency treatment providers, shall develop performance
302.31 measures to assess the outcomes of chemical dependency treatment services. The
302.32 commissioner shall report these performance measures to the members of the health and
302.33 human services policy and finance committees in the house of representatives and senate
302.34 on or before January 15, 2016.

303.1 Sec. 13. **RATE-SETTING METHODOLOGY FOR COMMUNITY-BASED**
303.2 **MENTAL HEALTH SERVICES.**

303.3 The commissioner of human services shall conduct a comprehensive analysis of
303.4 the current rate-setting methodology for all community-based mental health services
303.5 for children and adults. The report shall also include recommendations for establishing
303.6 pay-for-performance measures for providers delivering services consistent with
303.7 evidence-based practices. In developing the report, the commissioner shall consult with
303.8 stakeholders and with outside experts in Medicaid financing. The commissioner shall
303.9 provide a report on the analysis to the chairs of the legislative committees with jurisdiction
303.10 over health and human services finance by January 1, 2017.

303.11 Sec. 14. **EXCELLENCE IN MENTAL HEALTH DEMONSTRATION PROJECT.**

303.12 By January 15, 2016, the commissioner of human services shall report to the
303.13 legislative committees in the house of representatives and senate with jurisdiction over
303.14 human services issues on the progress of the Excellence in Mental Health demonstration
303.15 project under Minnesota Statutes, section 245.735. The commissioner shall include in
303.16 the report any recommendations for legislative changes needed to implement the reform
303.17 projects specified in Minnesota Statutes, section 245.735, subdivision 3.

303.18 Sec. 15. **CLUBHOUSE PROGRAM SERVICES.**

303.19 The commissioner of human services, in consultation with stakeholders, may
303.20 develop service standards and a payment methodology for Clubhouse program services
303.21 to be covered under medical assistance when provided by a Clubhouse International
303.22 accredited provider or a provider meeting equivalent standards. The commissioner may
303.23 seek federal approval for the service standards and payment methodology. Upon federal
303.24 approval, the commissioner must seek and obtain legislative approval of the services
303.25 standards and funding methodology allowing medical assistance coverage of the service.

303.26 Sec. 16. **SPECIAL PROJECTS; INTENSIVE TREATMENT AND SUPPORTS.**

303.27 (a) The commissioner shall fund special projects to:

- 303.28 (1) provide intensive treatment and supports to adolescents and young adults 26
303.29 years of age and younger who are experiencing their first psychotic or manic episode; and
303.30 (2) conduct outreach, training, and guidance, in the project's region, to mental health
303.31 and health care professionals, including postsecondary health clinics, on early psychosis
303.32 symptoms, screening tools, and best practices.

304.1 (b) Intensive treatment and supports includes medication management,
304.2 psychoeducation for the individual and family, care coordination, employment supports,
304.3 education supports, cognitive behavioral approaches, cognitive remediation, social skills
304.4 training, peer support, crisis planning, and stress management.

304.5 Sec. 17. **INSTRUCTIONS TO THE COMMISSIONER.**

304.6 The commissioner of human services shall, in consultation with stakeholders, develop
304.7 recommendations on funding for children's mental health crisis residential services that will
304.8 allow for timely access without requiring county authorization or child welfare placement.

304.9 Sec. 18. **MENTAL HEALTH CRISIS SERVICES.**

304.10 The commissioner of human services shall increase access to mental health crisis
304.11 services for children and adults. In order to increase access, the commissioner must:

304.12 (1) develop a central phone number where calls can be routed to the appropriate
304.13 crisis services;

304.14 (2) provide telephone consultation 24 hours a day to mobile crisis teams who are
304.15 servicing people with traumatic brain injury or intellectual disabilities who are experiencing
304.16 a mental health crisis;

304.17 (3) expand crisis services across the state, including rural areas of the state and
304.18 examining access per population;

304.19 (4) establish and implement state standards for crisis services; and

304.20 (5) provide grants to adult mental health initiatives, counties, tribes, or community
304.21 mental health providers to establish new mental health crisis residential service capacity.

304.22 Priority will be given to regions that do not have a mental health crisis residential
304.23 services program, do not have an inpatient psychiatric unit within the region, do not have
304.24 an inpatient psychiatric unit within 90 miles, or have a demonstrated need based on the
304.25 number of crisis residential or intensive residential treatment beds available to meet the
304.26 needs of the residents in the region. At least 50 percent of the funds must be distributed to
304.27 programs in rural Minnesota. Grant funds may be used for start-up costs, including but not
304.28 limited to renovations, furnishings, and staff training. Grant applications shall provide
304.29 details on how the intended service will address identified needs and shall demonstrate
304.30 collaboration with crisis teams, other mental health providers, hospitals, and police.

304.31 Sec. 19. **COMPREHENSIVE MENTAL HEALTH CENTER.**

304.32 (a) To the extent funds are appropriated for the purposes of this section, the
304.33 commissioner of human services shall establish a grant for Beltrami County to fund the

305.1 planning and development of a comprehensive mental health center for individuals who
305.2 are under arrest or subject to arrest, individuals who are experiencing a mental health
305.3 crisis, or individuals who are under a transport hold under Minnesota Statutes, section
305.4 253B.05, subdivision 2, in Beltrami County and northwestern Minnesota. The program
305.5 must be a sustainable, integrated care model for the provision of mental health and
305.6 substance use disorder treatment for the population served in collaboration with existing
305.7 services. The model may include mobile crisis services, crisis residential services,
305.8 outpatient services, and community-based services. The model must be patient-centered,
305.9 culturally competent, and based on evidence-based practices.

305.10 (b) The program shall maintain data on the extent to which the center reduces
305.11 incarceration and hospitalization rates for individuals with mental illness or co-occurring
305.12 disorders, and the extent to which the center impacts service utilization for these
305.13 individuals. In order to have the capacity to be replicated in other areas of the state, the
305.14 center must report outcomes to the commissioner, at a time and in a manner determined
305.15 by the commissioner. The commissioner shall use the data to evaluate the effect the
305.16 program has on incarceration rates and services utilization, and report to the chairs and
305.17 ranking minority members of the senate and house of representatives committees having
305.18 jurisdiction over health and human services and corrections issues every two years,
305.19 beginning February 1, 2017.

305.20 (c) The commissioner shall encourage the commissioners of the Minnesota Housing
305.21 Finance Agency, corrections, and health to provide technical assistance and support to this
305.22 program. The commissioner, together with the commissioner of health, shall determine
305.23 the most appropriate model for licensure of the proposed services and which agency
305.24 will regulate the services of the center. The commissioners of the Minnesota Housing
305.25 Finance Agency and human services shall work with the center to provide short-term
305.26 and long-term housing for individuals served by the center within the limits of existing
305.27 appropriations available for low-income housing or homelessness.

305.28 **Sec. 20. REPORT ON INTENSIVE COMMUNITY REHABILITATION**
305.29 **SERVICES.**

305.30 (a) The commissioner of human services shall issue a report to the chairs and
305.31 ranking minority members of the house and senate committees with jurisdiction over
305.32 health and human services programs that contains recommendations on the intensive
305.33 community rehabilitation services program, including options for sustainable funding
305.34 models. The report shall:

306.1 (1) analyze how the intensive community rehabilitation services program provides
306.2 needed mental health services and supports that are not currently covered by medical
306.3 assistance;

306.4 (2) identify similar program models that are used in other states to fill similar service
306.5 gaps and the program funding sources used by those states;

306.6 (3) analyze how the intensive community rehabilitation services model differs
306.7 between rural and metro areas;

306.8 (4) make recommendations for expanding services; and

306.9 (5) analyze potential sources for sustainable funding, including inclusion as a
306.10 medical assistance benefit.

306.11 (b) The commissioner shall include stakeholders in developing recommendations
306.12 and developing the legislative report. The commissioner shall submit the report no later
306.13 than January 15, 2016.

306.14 **Sec. 21. COMMISSIONER'S DUTIES RELATED TO PEER SPECIALIST**
306.15 **TRAINING AND OUTREACH.**

306.16 The commissioner shall collaborate with the Minnesota State Colleges and
306.17 Universities system to identify coursework to fulfill the peer specialist training
306.18 requirements. In addition, the commissioner shall provide outreach to community mental
306.19 health providers to increase their knowledge on how peer specialists can be utilized, best
306.20 practices on hiring peer specialists, how peer specialist activities can be billed, and the
306.21 benefits of hiring peer specialists.

306.22 **Sec. 22. INSTRUCTIONS TO THE COMMISSIONER.**

306.23 The commissioner shall determine the number of individuals who were determined
306.24 to be ineligible to receive community first services and supports because they did not
306.25 require constant supervision and cuing in order to accomplish activities of daily living.
306.26 The commissioner shall issue a report with these findings to the chairs and ranking
306.27 minority members of the house and senate committees with jurisdiction over human
306.28 services programs.

307.1 **ARTICLE 9**307.2 **DIRECT CARE AND TREATMENT**

307.3 Section 1. Minnesota Statutes 2014, section 43A.241, is amended to read:

307.4 **43A.241 INSURANCE CONTRIBUTIONS; FORMER CORRECTIONS**
307.5 **EMPLOYEES.**

307.6 (a) This section applies to a person who:

307.7 (1) ~~was employed by the commissioner of the Department of Corrections at a state~~
307.8 ~~institution under control of the commissioner, and in that employment was a member~~
307.9 ~~of the general plan of the Minnesota State Retirement System; or by the Department~~
307.10 of Human Services;

307.11 (2) was covered by the correctional employee retirement plan under section 352.91
307.12 or the general state employees retirement plan of the Minnesota State Retirement System
307.13 as defined in section 352.021;

307.14 (3) while employed under clause (1), was assaulted by an inmate at a state institution
307.15 under control of the commissioner of the Department of Corrections; and:

307.16 (i) a person under correctional supervision for a criminal offense; or

307.17 (ii) a client or patient at the Minnesota sex offender program or at a state-operated
307.18 forensic services program as defined in section 352.91, subdivision 3j, under the control of
307.19 the commissioner of the Department of Human Services; and

307.20 ~~(3)~~ (4) as a direct result of the assault under clause (3), was determined to be totally
307.21 and permanently disabled under laws governing the Minnesota State Retirement System.

307.22 (b) For a person to whom this section applies, the commissioner of the Department
307.23 of Corrections or the commissioner of the Department of Human Services must continue
307.24 to make the employer contribution for ~~hospital,~~ medical, and dental benefits under the
307.25 State Employee Group Insurance Program after the person terminates state service. If
307.26 the person had dependent coverage at the time of terminating state service, employer
307.27 contributions for dependent coverage also must continue under this section. The employer
307.28 contributions must be in the amount of the employer contribution for active state
307.29 employees at the time each payment is made. The employer contributions must continue
307.30 until the person reaches age 65, provided the person makes the required employee
307.31 contributions, in the amount required of an active state employee, at the time and in
307.32 the manner specified by the commissioner.

307.33 **EFFECTIVE DATE.** This section is effective the day following final enactment
307.34 and applies to a person assaulted by an inmate, client, or patient on or after that date.

308.1 Sec. 2. Minnesota Statutes 2014, section 253B.18, subdivision 4c, is amended to read:

308.2 Subd. 4c. **Special review board.** (a) The commissioner shall establish one or more
308.3 panels of a special review board. The board shall consist of three members experienced
308.4 in the field of mental illness. One member of each special review board panel shall be a
308.5 psychiatrist or a doctoral level psychologist with forensic experience and one member
308.6 shall be an attorney. No member shall be affiliated with the Department of Human
308.7 Services. The special review board shall meet at least every six months and at the call of
308.8 the commissioner. It shall hear and consider all petitions for a reduction in custody or to
308.9 appeal a revocation of provisional discharge. A "reduction in custody" means transfer
308.10 from a secure treatment facility, discharge, and provisional discharge. Patients may be
308.11 transferred by the commissioner between secure treatment facilities without a special
308.12 review board hearing.

308.13 Members of the special review board shall receive compensation and reimbursement
308.14 for expenses as established by the commissioner.

308.15 (b) The special review board must review each denied petition under subdivision
308.16 5 for barriers and obstacles preventing the patient from progressing in treatment. Based
308.17 on the cases before the board in the previous year, the special review board shall provide
308.18 to the commissioner an annual summation of the barriers to treatment progress, and
308.19 recommendations to achieve the common goal of making progress in treatment.

308.20 (c) A petition filed by a person committed as mentally ill and dangerous to the
308.21 public under this section must be heard as provided in subdivision 5 and, as applicable,
308.22 subdivision 13. A petition filed by a person committed as a sexual psychopathic personality
308.23 or as a sexually dangerous person under chapter 253D, or committed as both mentally ill
308.24 and dangerous to the public under this section and as a sexual psychopathic personality or
308.25 as a sexually dangerous person must be heard as provided in section 253D.27.

308.26 Sec. 3. Minnesota Statutes 2014, section 253B.18, subdivision 5, is amended to read:

308.27 Subd. 5. **Petition; notice of hearing; attendance; order.** (a) A petition for
308.28 a reduction in custody or revocation of provisional discharge shall be filed with the
308.29 commissioner and may be filed by the patient or by the head of the treatment facility. A
308.30 patient may not petition the special review board for six months following commitment
308.31 under subdivision 3 or following the final disposition of any previous petition and
308.32 subsequent appeal by the patient. The head of the treatment facility must schedule a
308.33 hearing before the special review board for any patient who has not appeared before the
308.34 special review board in the previous three years, and schedule a hearing at least every
308.35 three years thereafter. The medical director may petition at any time.

309.1 (b) Fourteen days prior to the hearing, the committing court, the county attorney of
309.2 the county of commitment, the designated agency, interested person, the petitioner, and
309.3 the petitioner's counsel shall be given written notice by the commissioner of the time and
309.4 place of the hearing before the special review board. Only those entitled to statutory notice
309.5 of the hearing or those administratively required to attend may be present at the hearing.
309.6 The patient may designate interested persons to receive notice by providing the names
309.7 and addresses to the commissioner at least 21 days before the hearing. The board shall
309.8 provide the commissioner with written findings of fact and recommendations within 21
309.9 days of the hearing. The commissioner shall issue an order no later than 14 days after
309.10 receiving the recommendation of the special review board. A copy of the order shall be
309.11 mailed to every person entitled to statutory notice of the hearing within five days after it
309.12 is signed. No order by the commissioner shall be effective sooner than 30 days after the
309.13 order is signed, unless the county attorney, the patient, and the commissioner agree that
309.14 it may become effective sooner.

309.15 (c) The special review board shall hold a hearing on each petition prior to making
309.16 its recommendation to the commissioner. The special review board proceedings are not
309.17 contested cases as defined in chapter 14. Any person or agency receiving notice that
309.18 submits documentary evidence to the special review board prior to the hearing shall also
309.19 provide copies to the patient, the patient's counsel, the county attorney of the county of
309.20 commitment, the case manager, and the commissioner.

309.21 (d) Prior to the final decision by the commissioner, the special review board may be
309.22 reconvened to consider events or circumstances that occurred subsequent to the hearing.

309.23 (e) In making their recommendations and order, the special review board and
309.24 commissioner must consider any statements received from victims under subdivision 5a.

309.25 **Sec. 4. CLOSURE OF FACILITY PROHIBITED.**

309.26 The commissioner of human services shall not close, or otherwise terminate services
309.27 at, the Community Addiction Recovery Enterprise program located in Fergus Falls earlier
309.28 than July 1, 2019.

309.29 **Sec. 5. CLOSURE OF FACILITY PROHIBITED.**

309.30 The commissioner of human services shall not close, or otherwise terminate services
309.31 at, the Child and Adolescent Behavioral Health Services program in Willmar without
309.32 legislative approval.

310.1 **ARTICLE 10**310.2 **WITHDRAWAL MANAGEMENT PROGRAMS**310.3 Section 1. **[245F.01] PURPOSE.**

310.4 It is hereby declared to be the public policy of this state that the public interest is best
310.5 served by providing efficient and effective withdrawal management services to persons
310.6 in need of appropriate detoxification, assessment, intervention, and referral services.

310.7 The services shall vary to address the unique medical needs of each patient and shall be
310.8 responsive to the language and cultural needs of each patient. Services shall not be denied
310.9 on the basis of a patient's inability to pay.

310.10 Sec. 2. **[245F.02] DEFINITIONS.**

310.11 Subdivision 1. **Scope.** The terms used in this chapter have the meanings given
310.12 them in this section.

310.13 Subd. 2. **Administration of medications.** "Administration of medications" means
310.14 performing a task to provide medications to a patient, and includes the following tasks
310.15 performed in the following order:

310.16 (1) checking the patient's medication record;

310.17 (2) preparing the medication for administration;

310.18 (3) administering the medication to the patient;

310.19 (4) documenting administration of the medication or the reason for not administering
310.20 the medication as prescribed; and

310.21 (5) reporting information to a licensed practitioner or a registered nurse regarding
310.22 problems with the administration of the medication or the patient's refusal to take the
310.23 medication.

310.24 Subd. 3. **Alcohol and drug counselor.** "Alcohol and drug counselor" means an
310.25 individual qualified under Minnesota Rules, part 9530.6450, subpart 5.

310.26 Subd. 4. **Applicant.** "Applicant" means an individual, partnership, voluntary
310.27 association, corporation, or other public or private organization that submits an application
310.28 for licensure under this chapter.

310.29 Subd. 5. **Care coordination.** "Care coordination" means activities intended to bring
310.30 together health services, patient needs, and streams of information to facilitate the aims
310.31 of care. Care coordination includes an ongoing needs assessment, life skills advocacy,
310.32 treatment follow-up, disease management, education, and other services as needed.

310.33 Subd. 6. **Chemical.** "Chemical" means alcohol, solvents, controlled substances as
310.34 defined in section 152.01, subdivision 4, and other mood-altering substances.

311.1 Subd. 7. **Clinically managed program.** "Clinically managed program" means a
311.2 residential setting with staff comprised of a medical director and a licensed practical
311.3 nurse. A licensed practical nurse must be on site 24 hours a day, seven days a week.
311.4 An individual who meets the qualification requirements of a medical director must be
311.5 available by telephone or in person for consultation 24 hours a day. Patients admitted to
311.6 this level of service receive medical observation, evaluation, and stabilization services
311.7 during the detoxification process; access to medications administered by trained, licensed
311.8 staff to manage withdrawal; and a comprehensive assessment pursuant to Minnesota
311.9 Rules, part 9530.6422.

311.10 Subd. 8. **Commissioner.** "Commissioner" means the commissioner of human
311.11 services or the commissioner's designated representative.

311.12 Subd. 9. **Department.** "Department" means the Department of Human Services.

311.13 Subd. 10. **Direct patient contact.** "Direct patient contact" has the meaning given
311.14 for "direct contact" in section 245C.02, subdivision 11.

311.15 Subd. 11. **Discharge plan.** "Discharge plan" means a written plan that states with
311.16 specificity the services the program has arranged for the patient to transition back into
311.17 the community.

311.18 Subd. 12. **Licensed practitioner.** "Licensed practitioner" means a practitioner as
311.19 defined in section 151.01, subdivision 23, who is authorized to prescribe.

311.20 Subd. 13. **Medical director.** "Medical director" means an individual licensed in
311.21 Minnesota as a doctor of osteopathy or physician, or an individual licensed in Minnesota
311.22 as an advanced practice registered nurse by the Board of Nursing and certified to practice
311.23 as a clinical nurse specialist or nurse practitioner by a national nurse organization
311.24 acceptable to the board. The medical director must be employed by or under contract with
311.25 the license holder to direct and supervise health care for patients of a program licensed
311.26 under this chapter.

311.27 Subd. 14. **Medically monitored program.** "Medically monitored program" means
311.28 a residential setting with staff that includes a registered nurse and a medical director. A
311.29 registered nurse must be on site 24 hours a day. A medical director must be on site seven
311.30 days a week, and patients must have the ability to be seen by a medical director within 24
311.31 hours. Patients admitted to this level of service receive medical observation, evaluation,
311.32 and stabilization services during the detoxification process; medications administered by
311.33 trained, licensed staff to manage withdrawal; and a comprehensive assessment pursuant to
311.34 Minnesota Rules, part 9530.6422.

312.1 Subd. 15. **Nurse.** "Nurse" means a person licensed and currently registered to
312.2 practice practical or professional nursing as defined in section 148.171, subdivisions
312.3 14 and 15.

312.4 Subd. 16. **Patient.** "Patient" means an individual who presents or is presented for
312.5 admission to a withdrawal management program that meets the criteria in section 245F.05.

312.6 Subd. 17. **Peer recovery support services.** "Peer recovery support services"
312.7 means mentoring and education, advocacy, and nonclinical recovery support provided
312.8 by a recovery peer.

312.9 Subd. 18. **Program director.** "Program director" means the individual who is
312.10 designated by the license holder to be responsible for all operations of a withdrawal
312.11 management program and who meets the qualifications specified in section 245F.15,
312.12 subdivision 3.

312.13 Subd. 19. **Protective procedure.** "Protective procedure" means an action taken by a
312.14 staff member of a withdrawal management program to protect a patient from imminent
312.15 danger of harming self or others. Protective procedures include the following actions:

312.16 (1) seclusion, which means the temporary placement of a patient, without the
312.17 patient's consent, in an environment to prevent social contact; and

312.18 (2) physical restraint, which means the restraint of a patient by use of physical holds
312.19 intended to limit movement of the body.

312.20 Subd. 20. **Recovery peer.** "Recovery peer" means a person who has progressed in
312.21 the person's own recovery from substance use disorder and is willing to serve as a peer
312.22 to assist others in their recovery.

312.23 Subd. 21. **Responsible staff person.** "Responsible staff person" means the program
312.24 director, the medical director, or a staff person with current licensure as a nurse in
312.25 Minnesota. The responsible staff person must be on the premises and is authorized to
312.26 make immediate decisions concerning patient care and safety.

312.27 Subd. 22. **Substance.** "Substance" means "chemical" as defined in subdivision 6.

312.28 Subd. 23. **Substance use disorder.** "Substance use disorder" means a pattern of
312.29 substance use as defined in the current edition of the Diagnostic and Statistical Manual of
312.30 Mental Disorders.

312.31 Subd. 24. **Technician.** "Technician" means a person who meets the qualifications in
312.32 section 245F.15, subdivision 6.

312.33 Subd. 25. **Withdrawal management program.** "Withdrawal management
312.34 program" means a licensed program that provides short-term medical services on
312.35 a 24-hour basis for the purpose of stabilizing intoxicated patients, managing their

313.1 withdrawal, and facilitating access to substance use disorder treatment as indicated by a
313.2 comprehensive assessment.

313.3 **Sec. 3. [245F.03] APPLICATION.**

313.4 (a) This chapter establishes minimum standards for withdrawal management
313.5 programs licensed by the commissioner that serve one or more unrelated persons.

313.6 (b) This chapter does not apply to a withdrawal management program licensed as a
313.7 hospital under sections 144.50 to 144.581. A withdrawal management program located in
313.8 a hospital licensed under sections 144.50 to 144.581 that chooses to be licensed under this
313.9 chapter is deemed to be in compliance with section 245F.13.

313.10 **Sec. 4. [245F.04] PROGRAM LICENSURE.**

313.11 Subdivision 1. **General application and license requirements.** An applicant
313.12 for licensure as a clinically managed withdrawal management program or medically
313.13 monitored withdrawal management program must meet the following requirements,
313.14 except where otherwise noted. All programs must comply with federal requirements and
313.15 the general requirements in chapters 245A and 245C and sections 626.556, 626.557, and
313.16 626.5572. A withdrawal management program must be located in a hospital licensed
313.17 under sections 144.50 to 144.581, or must be a supervised living facility with a class B
313.18 license from the Department of Health under Minnesota Rules, chapter 4665.

313.19 Subd. 2. **Contents of application.** Prior to the issuance of a license, an applicant
313.20 must submit, on forms provided by the commissioner, documentation demonstrating
313.21 the following:

313.22 (1) compliance with this section;

313.23 (2) compliance with applicable building, fire, and safety codes; health rules; zoning
313.24 ordinances; and other applicable rules and regulations or documentation that a waiver
313.25 has been granted. The granting of a waiver does not constitute modification of any
313.26 requirement of this section;

313.27 (3) completion of an assessment of need for a new or expanded program as required
313.28 by Minnesota Rules, part 9530.6800; and

313.29 (4) insurance coverage, including bonding, sufficient to cover all patient funds,
313.30 property, and interests.

313.31 Subd. 3. **Changes in license terms.** (a) A license holder must notify the
313.32 commissioner before one of the following occurs and the commissioner must determine
313.33 the need for a new license:

313.34 (1) a change in the Department of Health's licensure of the program;

314.1 (2) a change in the medical services provided by the program that affects the
314.2 program's capacity to provide services required by the program's license designation as a
314.3 clinically managed program or medically monitored program;

314.4 (3) a change in program capacity; or

314.5 (4) a change in location.

314.6 (b) A license holder must notify the commissioner and apply for a new license
314.7 when a change in program ownership occurs.

314.8 Subd. 4. **Variances.** The commissioner may grant variances to the requirements of
314.9 this chapter under section 245A.04, subdivision 9.

314.10 Sec. 5. **[245F.05] ADMISSION AND DISCHARGE POLICIES.**

314.11 Subdivision 1. **Admission policy.** A license holder must have a written admission
314.12 policy containing specific admission criteria. The policy must describe the admission
314.13 process and the point at which an individual who is eligible under subdivision 2 is
314.14 admitted to the program. A license holder must not admit individuals who do not meet the
314.15 admission criteria. The admission policy must be approved and signed by the medical
314.16 director of the facility and must designate which staff members are authorized to admit
314.17 and discharge patients. The admission policy must be posted in the area of the facility
314.18 where patients are admitted and given to all interested individuals upon request.

314.19 Subd. 2. **Admission criteria.** For an individual to be admitted to a withdrawal
314.20 management program, the program must make a determination that the program services
314.21 are appropriate to the needs of the individual. A program may only admit individuals who
314.22 meet the admission criteria and who, at the time of admission:

314.23 (1) are impaired as the result of intoxication;

314.24 (2) are experiencing physical, mental, or emotional problems due to intoxication or
314.25 withdrawal from alcohol or other drugs;

314.26 (3) are being held under apprehend and hold orders under section 253B.07,
314.27 subdivision 2b;

314.28 (4) have been committed under chapter 253B and need temporary placement;

314.29 (5) are held under emergency holds or peace and health officer holds under section
314.30 253B.05, subdivision 1 or 2; or

314.31 (6) need to stay temporarily in a protective environment because of a crisis related
314.32 to substance use disorder. Individuals satisfying this clause may be admitted only at the
314.33 request of the county of fiscal responsibility, as determined according to section 256G.02,
314.34 subdivision 4. Individuals admitted according to this clause must not be restricted to
314.35 the facility.

315.1 Subd. 3. **Individuals denied admission by program.** (a) A license holder must
315.2 have a written policy and procedure for addressing the needs of individuals who are
315.3 denied admission to the program. These individuals include:

315.4 (1) individuals whose pregnancy, in combination with their presenting problem,
315.5 requires services not provided by the program; and

315.6 (2) individuals who are in imminent danger of harming self or others if their
315.7 behavior is beyond the behavior management capabilities of the program and staff.

315.8 (b) Programs must document denied admissions, including the date and time of
315.9 the admission request, reason for the denial of admission, and where the individual was
315.10 referred. If the individual did not receive a referral, the program must document why a
315.11 referral was not made. This information must be documented on a form approved by the
315.12 commissioner and made available to the commissioner upon request.

315.13 Subd. 4. **License holder responsibilities; denying admission or terminating**
315.14 **services.** (a) If a license holder denies an individual admission to the program or
315.15 terminates services to a patient and the denial or termination poses an immediate threat to
315.16 the patient's or individual's health or requires immediate medical intervention, the license
315.17 holder must refer the patient or individual to a medical facility capable of admitting the
315.18 patient or individual.

315.19 (b) A license holder must report to a law enforcement agency with proper jurisdiction
315.20 all denials of admission and terminations of services that involve the commission of a crime
315.21 against a staff member of the license holder or on the license holder's property, as provided
315.22 in Code of Federal Regulations, title 42, section 2.12(c)(5), and title 45, parts 160 to 164.

315.23 Subd. 5. **Discharge and transfer policies.** A license holder must have a written
315.24 policy and procedure, approved and signed by the medical director, that specifies
315.25 conditions under which patients may be discharged or transferred. The policy must
315.26 include the following:

315.27 (1) guidelines for determining when a patient is medically stable and whether a
315.28 patient is able to be discharged or transferred to a lower level of care;

315.29 (2) guidelines for determining when a patient needs a transfer to a higher level of care.
315.30 Clinically managed program guidelines must include guidelines for transfer to a medically
315.31 monitored program, hospital, or other acute care facility. Medically monitored program
315.32 guidelines must include guidelines for transfer to a hospital or other acute care facility;

315.33 (3) procedures staff must follow when discharging a patient under each of the
315.34 following circumstances:

315.35 (i) the patient is involved in the commission of a crime against program staff or
315.36 against a license holder's property. The procedures for a patient discharged under this

316.1 item must specify how reports must be made to law enforcement agencies with proper
316.2 jurisdiction as allowed under Code of Federal Regulations, title 42, section 2.12(c)(5), and
316.3 title 45, parts 160 to 164;

316.4 (ii) the patient is in imminent danger of harming self or others and is beyond the
316.5 license holder's capacity to ensure safety;

316.6 (iii) the patient was admitted under chapter 253B; or

316.7 (iv) the patient is leaving against staff or medical advice; and

316.8 (4) a requirement that staff must document where the patient was referred after
316.9 discharge or transfer, and if a referral was not made, the reason the patient was not
316.10 provided a referral.

316.11 **Sec. 6. [245F.06] SCREENING AND COMPREHENSIVE ASSESSMENT.**

316.12 Subdivision 1. **Screening for substance use disorder.** A nurse or an alcohol
316.13 and drug counselor must screen each patient upon admission to determine whether a
316.14 comprehensive assessment is indicated. The license holder must screen patients at
316.15 each admission, except that if the patient has already been determined to suffer from a
316.16 substance use disorder, subdivision 2 applies.

316.17 Subd. 2. **Comprehensive assessment.** (a) Prior to a medically stable discharge,
316.18 but not later than 72 hours following admission, a license holder must provide a
316.19 comprehensive assessment according to section 245.4863, paragraph (a), and Minnesota
316.20 Rules, part 9530.6422, for each patient who has a positive screening for a substance use
316.21 disorder. If a patient's medical condition prevents a comprehensive assessment from
316.22 being completed within 72 hours, the license holder must document why the assessment
316.23 was not completed. The comprehensive assessment must include documentation of the
316.24 appropriateness of an involuntary referral through the civil commitment process.

316.25 (b) If available to the program, a patient's previous comprehensive assessment may
316.26 be used in the patient record. If a previously completed comprehensive assessment is used,
316.27 its contents must be reviewed to ensure the assessment is accurate and current and complies
316.28 with the requirements of this chapter. The review must be completed by a staff person
316.29 qualified according to Minnesota Rules, part 9530.6450, subpart 5. The license holder must
316.30 document that the review was completed and that the previously completed assessment is
316.31 accurate and current, or the license holder must complete an updated or new assessment.

316.32 **Sec. 7. [245F.07] STABILIZATION PLANNING.**

316.33 Subdivision 1. **Stabilization plan.** Within 12 hours of admission, a license
316.34 holder must develop an individualized stabilization plan for each patient accepted for

317.1 stabilization services. The plan must be based on the patient's initial health assessment
317.2 and continually updated based on new information gathered about the patient's condition
317.3 from the comprehensive assessment, medical evaluation and consultation, and ongoing
317.4 monitoring and observations of the patient. The patient must have an opportunity to have
317.5 direct involvement in the development of the plan. The stabilization plan must:

317.6 (1) identify medical needs and goals to be achieved while the patient is receiving
317.7 services;

317.8 (2) specify stabilization services to address the identified medical needs and goals,
317.9 including amount and frequency of services;

317.10 (3) specify the participation of others in the stabilization planning process and
317.11 specific services where appropriated; and

317.12 (4) document the patient's participation in developing the content of the stabilization
317.13 plan and any updates.

317.14 Subd. 2. **Progress notes.** Progress notes must be entered in the patient's file at least
317.15 daily and immediately following any significant event, including any change that impacts
317.16 the medical, behavioral, or legal status of the patient. Progress notes must:

317.17 (1) include documentation of the patient's involvement in the stabilization services,
317.18 including the type and amount of each stabilization service;

317.19 (2) include the monitoring and observations of the patient's medical needs;

317.20 (3) include documentation of referrals made to other services or agencies;

317.21 (4) specify the participation of others; and

317.22 (5) be legible, signed, and dated by the staff person completing the documentation.

317.23 Subd. 3. **Discharge plan.** Before a patient leaves the facility, the license holder
317.24 must conduct discharge planning for the patient, document discharge planning in the
317.25 patient's record, and provide the patient with a copy of the discharge plan. The discharge
317.26 plan must include:

317.27 (1) referrals made to other services or agencies at the time of transition;

317.28 (2) the patient's plan for follow-up, aftercare, or other poststabilization services;

317.29 (3) documentation of the patient's participation in the development of the transition
317.30 plan;

317.31 (4) any service that will continue after discharge under the direction of the license
317.32 holder; and

317.33 (5) a stabilization summary and final evaluation of the patient's progress toward
317.34 treatment objectives.

317.35 **Sec. 8. [245F.08] STABILIZATION SERVICES.**

318.1 Subdivision 1. **General.** The license holder must encourage patients to remain in
318.2 care for an appropriate duration as determined by the patient's stabilization plan, and must
318.3 encourage all patients to enter programs for ongoing recovery as clinically indicated. In
318.4 addition, the license holder must offer services that are patient-centered, trauma-informed,
318.5 and culturally appropriate. Culturally appropriate services must include translation services
318.6 and dietary services that meet a patient's dietary needs. All services provided to the patient
318.7 must be documented in the patient's medical record. The following services must be
318.8 offered unless clinically inappropriate and the justifying clinical rationale is documented:

- 318.9 (1) individual or group motivational counseling sessions;
318.10 (2) individual advocacy and case management services;
318.11 (3) medical services as required in section 245F.12;
318.12 (4) care coordination provided according to subdivision 2;
318.13 (5) peer recovery support services provided according to subdivision 3;
318.14 (6) patient education provided according to subdivision 4; and
318.15 (7) referrals to mutual aid, self-help, and support groups.

318.16 Subd. 2. **Care coordination.** Care coordination services must be initiated for each
318.17 patient upon admission. The license holder must identify the staff person responsible for
318.18 the provision of each service. Care coordination services must include:

- 318.19 (1) coordination with significant others to assist in the stabilization planning process
318.20 whenever possible;
318.21 (2) coordination with and follow-up to appropriate medical services as identified by
318.22 the nurse or licensed practitioner;
318.23 (3) referral to substance use disorder services as indicated by the comprehensive
318.24 assessment;
318.25 (4) referral to mental health services as identified in the comprehensive assessment;
318.26 (5) referrals to economic assistance, social services, and prenatal care in accordance
318.27 with the patient's needs;
318.28 (6) review and approval of the transition plan prior to discharge, except in an
318.29 emergency, by a staff member able to provide direct patient contact;
318.30 (7) documentation of the provision of care coordination services in the patient's
318.31 file; and
318.32 (8) addressing cultural and socioeconomic factors affecting the patient's access to
318.33 services.

318.34 Subd. 3. **Peer recovery support services.** (a) Peers in recovery serve as mentors or
318.35 recovery-support partners for individuals in recovery, and may provide encouragement,
318.36 self-disclosure of recovery experiences, transportation to appointments, assistance with

319.1 finding resources that will help locate housing, job search resources, and assistance finding
319.2 and participating in support groups.

319.3 (b) Peer recovery support services are provided by a recovery peer and must be
319.4 supervised by the responsible staff person.

319.5 Subd. 4. **Patient education.** A license holder must provide education to each
319.6 patient on the following:

319.7 (1) substance use disorder, including the effects of alcohol and other drugs, specific
319.8 information about the effects of substance use on unborn children, and the signs and
319.9 symptoms of fetal alcohol spectrum disorders;

319.10 (2) tuberculosis and reporting known cases of tuberculosis disease to health care
319.11 authorities according to section 144.4804;

319.12 (3) Hepatitis C treatment and prevention;

319.13 (4) HIV as required in section 245A.19, paragraphs (b) and (c);

319.14 (5) nicotine cessation options, if applicable;

319.15 (6) opioid tolerance and overdose risks, if applicable; and

319.16 (7) long-term withdrawal issues related to use of barbiturates and benzodiazepines,
319.17 if applicable.

319.18 Subd. 5. **Mutual aid, self-help, and support groups.** The license holder must
319.19 refer patients to mutual aid, self-help, and support groups when clinically indicated and
319.20 to the extent available in the community.

319.21 Sec. 9. **[245F.09] PROTECTIVE PROCEDURES.**

319.22 Subdivision 1. **Use of protective procedures.** (a) Programs must incorporate
319.23 person-centered planning and trauma-informed care into its protective procedure policies.
319.24 Protective procedures may be used only in cases where a less restrictive alternative will
319.25 not protect the patient or others from harm and when the patient is in imminent danger
319.26 of harming self or others. When a program uses a protective procedure, the program
319.27 must continuously observe the patient until the patient may safely be left for 15-minute
319.28 intervals. Use of the procedure must end when the patient is no longer in imminent danger
319.29 of harming self or others.

319.30 (b) Protective procedures may not be used:

319.31 (1) for disciplinary purposes;

319.32 (2) to enforce program rules;

319.33 (3) for the convenience of staff;

319.34 (4) as a part of any patient's health monitoring plan; or

320.1 (5) for any reason except in response to specific, current behaviors which create an
320.2 imminent danger of harm to the patient or others.

320.3 Subd. 2. **Protective procedures plan.** A license holder must have a written policy
320.4 and procedure that establishes the protective procedures that program staff must follow
320.5 when a patient is in imminent danger of harming self or others. The policy must be
320.6 appropriate to the type of facility and the level of staff training. The protective procedures
320.7 policy must include:

320.8 (1) an approval signed and dated by the program director and medical director prior
320.9 to implementation. Any changes to the policy must also be approved, signed, and dated by
320.10 the current program director and the medical director prior to implementation;

320.11 (2) which protective procedures the license holder will use to prevent patients from
320.12 imminent danger of harming self or others;

320.13 (3) the emergency conditions under which the protective procedures are permitted
320.14 to be used, if any;

320.15 (4) the patient's health conditions that limit the specific procedures that may be used
320.16 and alternative means of ensuring safety;

320.17 (5) emergency resources the program staff must contact when a patient's behavior
320.18 cannot be controlled by the procedures established in the policy;

320.19 (6) the training that staff must have before using any protective procedure;

320.20 (7) documentation of approved therapeutic holds;

320.21 (8) the use of law enforcement personnel as described in subdivision 4;

320.22 (9) standards governing emergency use of seclusion. Seclusion must be used only
320.23 when less restrictive measures are ineffective or not feasible. The standards in items (i) to
320.24 (vii) must be met when seclusion is used with a patient:

320.25 (i) seclusion must be employed solely for the purpose of preventing a patient from
320.26 imminent danger of harming self or others;

320.27 (ii) seclusion rooms must be equipped in a manner that prevents patients from
320.28 self-harm using projections, windows, electrical fixtures, or hard objects, and must allow
320.29 the patient to be readily observed without being interrupted;

320.30 (iii) seclusion must be authorized by the program director, a licensed physician, or
320.31 a registered nurse. If one of these individuals is not present in the facility, the program
320.32 director or a licensed physician or registered nurse must be contacted and authorization
320.33 must be obtained within 30 minutes of initiating seclusion, according to written policies;

320.34 (iv) patients must not be placed in seclusion for more than 12 hours at any one time;

320.35 (v) once the condition of a patient in seclusion has been determined to be safe
320.36 enough to end continuous observation, a patient in seclusion must be observed at a

321.1 minimum of every 15 minutes for the duration of seclusion and must always be within
321.2 hearing range of program staff;

321.3 (vi) a process for program staff to use to remove a patient to other resources available
321.4 to the facility if seclusion does not sufficiently assure patient safety; and

321.5 (vii) a seclusion area may be used for other purposes, such as intensive observation, if
321.6 the room meets normal standards of care for the purpose and if the room is not locked; and

321.7 (10) physical holds may only be used when less restrictive measures are not feasible.

321.8 The standards in items (i) to (iv) must be met when physical holds are used with a patient:

321.9 (i) physical holds must be employed solely for preventing a patient from imminent
321.10 danger of harming self or others;

321.11 (ii) physical holds must be authorized by the program director, a licensed physician,

321.12 or a registered nurse. If one of these individuals is not present in the facility, the program

321.13 director or a licensed physician or a registered nurse must be contacted and authorization

321.14 must be obtained within 30 minutes of initiating a physical hold, according to written
321.15 policies;

321.16 (iii) the patient's health concerns must be considered in deciding whether to use
321.17 physical holds and which holds are appropriate for the patient; and

321.18 (iv) only approved holds may be utilized. Prone holds are not allowed and must
321.19 not be authorized.

321.20 Subd. 3. **Records.** Each use of a protective procedure must be documented in the
321.21 patient record. The patient record must include:

321.22 (1) a description of specific patient behavior precipitating a decision to use a
321.23 protective procedure, including date, time, and program staff present;

321.24 (2) the specific means used to limit the patient's behavior;

321.25 (3) the time the protective procedure began, the time the protective procedure ended,
321.26 and the time of each staff observation of the patient during the procedure;

321.27 (4) the names of the program staff authorizing the use of the protective procedure,
321.28 the time of the authorization, and the program staff directly involved in the protective
321.29 procedure and the observation process;

321.30 (5) a brief description of the purpose for using the protective procedure, including
321.31 less restrictive interventions used prior to the decision to use the protective procedure
321.32 and a description of the behavioral results obtained through the use of the procedure. If
321.33 a less restrictive intervention was not used, the reasons for not using a less restrictive
321.34 intervention must be documented;

322.1 (6) documentation by the responsible staff person on duty of reassessment of the
322.2 patient at least every 15 minutes to determine if seclusion or the physical hold can be
322.3 terminated;

322.4 (7) a description of the physical holds used in escorting a patient; and

322.5 (8) any injury to the patient that occurred during the use of a protective procedure.

322.6 Subd. 4. Use of law enforcement. The program must maintain a central log
322.7 documenting each incident involving use of law enforcement, including:

322.8 (1) the date and time law enforcement arrived at and left the program;

322.9 (2) the reason for the use of law enforcement;

322.10 (3) if law enforcement used force or a protective procedure and which protective
322.11 procedure was used; and

322.12 (4) whether any injuries occurred.

322.13 Subd. 5. Administrative review. (a) The license holder must keep a record of all
322.14 patient incidents and protective procedures used. An administrative review of each use
322.15 of protective procedures must be completed within 72 hours by someone other than the
322.16 person who used the protective procedure. The record of the administrative review of the
322.17 use of protective procedures must state whether:

322.18 (1) the required documentation was recorded for each use of a protective procedure;

322.19 (2) the protective procedure was used according to the policy and procedures;

322.20 (3) the staff who implemented the protective procedure was properly trained; and

322.21 (4) the behavior met the standards for imminent danger of harming self or others.

322.22 (b) The license holder must conduct and document a quarterly review of the use of
322.23 protective procedures with the goal of reducing the use of protective procedures. The
322.24 review must include:

322.25 (1) any patterns or problems indicated by similarities in the time of day, day of the
322.26 week, duration of the use of a protective procedure, individuals involved, or other factors
322.27 associated with the use of protective procedures;

322.28 (2) any injuries resulting from the use of protective procedures;

322.29 (3) whether law enforcement was involved in the use of a protective procedure;

322.30 (4) actions needed to correct deficiencies in the program's implementation of
322.31 protective procedures;

322.32 (5) an assessment of opportunities missed to avoid the use of protective procedures;

322.33 and

322.34 (6) proposed actions to be taken to minimize the use of protective procedures.

322.35 Sec. 10. [245F.10] PATIENT RIGHTS AND GRIEVANCE PROCEDURES.

323.1 Subdivision 1. **Patient rights.** Patients have the rights in sections 144.651,
323.2 148F.165, and 253B.03, as applicable. The license holder must give each patient, upon
323.3 admission, a written statement of patient rights. Program staff must review the statement
323.4 with the patient.

323.5 Subd. 2. **Grievance procedure.** Upon admission, the license holder must explain
323.6 the grievance procedure to the patient or patient's representative. The grievance procedure
323.7 must be posted in a place visible to the patient and must be made available to current and
323.8 former patients upon request. A license holder's written grievance procedure must include:

323.9 (1) staff assistance in developing and processing the grievance;

323.10 (2) an initial response to the patient who filed the grievance within 24 hours of the
323.11 program's receipt of the grievance, and timelines for additional steps to be taken to resolve
323.12 the grievance, including access to the person with the highest level of authority in the
323.13 program if the grievance cannot be resolved by other staff members; and

323.14 (3) the addresses and telephone numbers of the Department of Human Services
323.15 Licensing Division, Department of Health Office of Health Facilities Complaints, Board
323.16 of Behavioral Health and Therapy, Board of Medical Practice, Board of Nursing, and
323.17 Office of the Ombudsman for Mental Health and Developmental Disabilities.

323.18 **Sec. 11. [245F.11] PATIENT PROPERTY MANAGEMENT.**

323.19 A license holder must meet the requirements for handling patient funds and property
323.20 in section 245A.04, subdivision 13, except:

323.21 (1) a license holder must establish policies regarding the use of personal property to
323.22 assure that program activities and the rights of other patients are not infringed, and may
323.23 take temporary custody of personal property if these policies are violated;

323.24 (2) a license holder must retain the patient's property for a minimum of seven days
323.25 after discharge if the patient does not reclaim the property after discharge; and

323.26 (3) the license holder must return to the patient all of the patient's property held in
323.27 trust at discharge, regardless of discharge status, except that:

323.28 (i) drugs, drug paraphernalia, and drug containers that are forfeited under section
323.29 609.5316 must be destroyed by staff or given over to the custody of a local law
323.30 enforcement agency, according to Code of Federal Regulations, title 42, sections 2.1 to
323.31 2.67, and title 45, parts 160 to 164; and

323.32 (ii) weapons, explosives, and other property that may cause serious harm to self
323.33 or others must be transferred to a local law enforcement agency. The patient must be
323.34 notified of the transfer and the right to reclaim the property if the patient has a legal right
323.35 to possess the item.

324.1 Sec. 12. **[245F.12] MEDICAL SERVICES.**

324.2 **Subdivision 1. Services provided at all programs.** Withdrawal management
324.3 programs must have:

324.4 (1) a standardized data collection tool for collecting health-related information about
324.5 each patient. The data collection tool must be developed in collaboration with a registered
324.6 nurse and approved and signed by the medical director; and

324.7 (2) written procedures for a nurse to assess and monitor patient health within the
324.8 nurse's scope of practice. The procedures must:

324.9 (i) be approved by the medical director;

324.10 (ii) include a follow-up screening conducted between four and 12 hours after service
324.11 initiation to collect information relating to acute intoxication, other health complaints, and
324.12 behavioral risk factors that the patient may not have communicated at service initiation;

324.13 (iii) specify the physical signs and symptoms that, when present, require consultation
324.14 with a registered nurse or a physician and that require transfer to an acute care facility or
324.15 a higher level of care than that provided by the program;

324.16 (iv) specify those staff members responsible for monitoring patient health and
324.17 provide for hourly observation and for more frequent observation if the initial health
324.18 assessment or follow-up screening indicates a need for intensive physical or behavioral
324.19 health monitoring; and

324.20 (v) specify the actions to be taken to address specific complicating conditions,
324.21 including pregnancy or the presence of physical signs or symptoms of any other medical
324.22 condition.

324.23 **Subd. 2. Services provided at clinically managed programs.** In addition to the
324.24 services listed in subdivision 1, clinically managed programs must:

324.25 (1) have a licensed practical nurse on site 24 hours a day and a medical director;

324.26 (2) provide an initial health assessment conducted by a nurse upon admission;

324.27 (3) provide daily on-site medical evaluation and consultation with a registered
324.28 nurse and have a registered nurse available by telephone or in person for consultation
324.29 24 hours a day;

324.30 (4) have an individual who meets the qualification requirements of a medical director
324.31 available by telephone or in person for consultation 24 hours a day; and

324.32 (5) have appropriately licensed staff available to administer medications according
324.33 to prescriber-approved orders.

324.34 **Subd. 3. Services provided at medically monitored programs.** In addition to the
324.35 services listed in subdivision 1, medically monitored programs must have a registered

325.1 nurse on site 24 hours a day and a medical director. Medically monitored programs must
325.2 provide intensive inpatient withdrawal management services which must include:

325.3 (1) an initial health assessment conducted by a registered nurse upon admission;

325.4 (2) the availability of a medical evaluation and consultation with a registered nurse
325.5 24 hours a day;

325.6 (3) the availability of a licensed professional who meets the qualification requirements
325.7 of a medical director by telephone or in person for consultation 24 hours a day;

325.8 (4) the ability to be seen within 24 hours or sooner by an individual who meets the
325.9 qualification requirements of a medical director if the initial health assessment indicates
325.10 the need to be seen;

325.11 (5) the availability of on-site monitoring of patient care seven days a week by an
325.12 individual who meets the qualification requirements of a medical director; and

325.13 (6) appropriately licensed staff available to administer medications according to
325.14 prescriber-approved orders.

325.15 Sec. 13. **[245F.13] MEDICATIONS.**

325.16 Subdivision 1. Administration of medications. A license holder must employ or
325.17 contract with a registered nurse to develop the policies and procedures for medication
325.18 administration. A registered nurse must provide supervision as defined in section 148.171,
325.19 subdivision 23, for the administration of medications. For clinically managed programs,
325.20 the registered nurse supervision must include on-site supervision at least monthly or more
325.21 often as warranted by the health needs of the patient. The medication administration
325.22 policies and procedures must include:

325.23 (1) a provision that patients may carry emergency medication such as nitroglycerin
325.24 as instructed by their prescriber;

325.25 (2) requirements for recording the patient's use of medication, including staff
325.26 signatures with date and time;

325.27 (3) guidelines regarding when to inform a licensed practitioner or a registered nurse
325.28 of problems with medication administration, including failure to administer, patient
325.29 refusal of a medication, adverse reactions, or errors; and

325.30 (4) procedures for acceptance, documentation, and implementation of prescriptions,
325.31 whether written, oral, telephonic, or electronic.

325.32 Subd. 2. Control of drugs. A license holder must have in place and implement
325.33 written policies and procedures relating to control of drugs. The policies and procedures
325.34 must be developed by a registered nurse and must contain the following provisions:

- 326.1 (1) a requirement that all drugs must be stored in a locked compartment. Schedule II
326.2 drugs, as defined in section 152.02, subdivision 3, must be stored in a separately locked
326.3 compartment that is permanently affixed to the physical plant or a medication cart;
326.4 (2) a system for accounting for all scheduled drugs each shift;
326.5 (3) a procedure for recording a patient's use of medication, including staff signatures
326.6 with time and date;
326.7 (4) a procedure for destruction of discontinued, outdated, or deteriorated medications;
326.8 (5) a statement that only authorized personnel are permitted to have access to the
326.9 keys to the locked drug compartments; and
326.10 (6) a statement that no legend drug supply for one patient may be given to another
326.11 patient.

326.12 Sec. 14. **[245F.14] STAFFING REQUIREMENTS AND DUTIES.**

326.13 Subdivision 1. **Program director.** A license holder must employ or contract with a
326.14 person, on a full-time basis, to serve as program director. The program director must be
326.15 responsible for all aspects of the facility and the services delivered to the license holder's
326.16 patients. An individual may serve as program director for more than one program owned
326.17 by the same license holder.

326.18 Subd. 2. **Responsible staff person.** During all hours of operation, a license holder
326.19 must designate a staff member as the responsible staff person to be present and awake
326.20 in the facility and be responsible for the program. The responsible staff person must
326.21 have decision-making authority over the day-to-day operation of the program as well
326.22 as the authority to direct the activity of or terminate the shift of any staff member who
326.23 has direct patient contact.

326.24 Subd. 3. **Technician required.** A license holder must have one technician awake
326.25 and on duty at all times for every ten patients in the program. A license holder may assign
326.26 technicians according to the need for care of the patients, except that the same technician
326.27 must not be responsible for more than 15 patients at one time. For purposes of establishing
326.28 this ratio, all staff whose qualifications meet or exceed those for technicians under section
326.29 245F.15, subdivision 6, and who are performing the duties of a technician may be counted
326.30 as technicians. The same individual may not be counted as both a technician and an
326.31 alcohol and drug counselor.

326.32 Subd. 4. **Registered nurse required.** A license holder must employ or contract
326.33 with a registered nurse, who must be available 24 hours a day by telephone or in person
326.34 for consultation. The registered nurse is responsible for:

- 327.1 (1) establishing and implementing procedures for the provision of nursing care and
327.2 delegated medical care, including:
- 327.3 (i) a health monitoring plan;
327.4 (ii) a medication control plan;
327.5 (iii) training and competency evaluations for staff performing delegated medical and
327.6 nursing functions;
- 327.7 (iv) handling serious illness, accident, or injury to patients;
327.8 (v) an infection control program; and
327.9 (vi) a first aid kit;
- 327.10 (2) delegating nursing functions to other staff consistent with their education,
327.11 competence, and legal authorization;
- 327.12 (3) assigning, supervising, and evaluating the performance of nursing tasks; and
327.13 (4) implementing condition-specific protocols in compliance with section 151.37,
327.14 subdivision 2.

327.15 Subd. 5. **Medical director required.** A license holder must have a medical director
327.16 available for medical supervision. The medical director is responsible for ensuring the
327.17 accurate and safe provision of all health-related services and procedures. A license
327.18 holder must obtain and document the medical director's annual approval of the following
327.19 procedures before the procedures may be used:

- 327.20 (1) admission, discharge, and transfer criteria and procedures;
327.21 (2) a health services plan;
327.22 (3) physical indicators for a referral to a physician, registered nurse, or hospital, and
327.23 procedures for referral;
- 327.24 (4) procedures to follow in case of accident, injury, or death of a patient;
327.25 (5) formulation of condition-specific protocols regarding the medications that
327.26 require a withdrawal regimen that will be administered to patients;
- 327.27 (6) an infection control program;
327.28 (7) protective procedures; and
327.29 (8) a medication control plan.

327.30 Subd. 6. **Alcohol and drug counselor.** A withdrawal management program must
327.31 provide one full-time equivalent alcohol and drug counselor for every 16 patients served
327.32 by the program.

327.33 Subd. 7. **Ensuring staff-to-patient ratio.** The responsible staff person under
327.34 subdivision 2 must ensure that the program does not exceed the staff-to-patient ratios in
327.35 subdivisions 3 and 6 and must inform admitting staff of the current staffed capacity of

328.1 the program for that shift. A license holder must have a written policy for documenting
328.2 staff-to-patient ratios for each shift and actions to take when staffed capacity is reached.

328.3 **Sec. 15. [245F.15] STAFF QUALIFICATIONS.**

328.4 **Subdivision 1. Qualifications for all staff who have direct patient contact.** (a) All
328.5 staff who have direct patient contact must be at least 18 years of age and must, at the time
328.6 of hiring, document that they meet the requirements in paragraph (b), (c), or (d).

328.7 (b) Program directors, supervisors, nurses, and alcohol and drug counselors must be
328.8 free of substance use problems for at least two years immediately preceding their hiring
328.9 and must sign a statement attesting to that fact.

328.10 (c) Recovery peers must be free of substance use problems for at least one year
328.11 immediately preceding their hiring and must sign a statement attesting to that fact.

328.12 (d) Technicians and other support staff must be free of substance use problems
328.13 for at least six months immediately preceding their hiring and must sign a statement
328.14 attesting to that fact.

328.15 **Subd. 2. Continuing employment; no substance use problems.** License holders
328.16 must require staff to be free from substance use problems as a condition of continuing
328.17 employment. Staff are not required to sign statements attesting to their freedom from
328.18 substance use problems after the initial statement required by subdivision 1. Staff with
328.19 substance use problems must be immediately removed from any responsibilities that
328.20 include direct patient contact.

328.21 **Subd. 3. Program director qualifications.** A program director must:

328.22 (1) have at least one year of work experience in direct service to individuals
328.23 with substance use disorders or one year of work experience in the management or
328.24 administration of direct service to individuals with substance use disorders;

328.25 (2) have a baccalaureate degree or three years of work experience in administration
328.26 or personnel supervision in human services; and

328.27 (3) know and understand the implications of this chapter and chapters 245A and
328.28 245C, and sections 253B.04, 253B.05, 626.556, 626.557, and 626.5572.

328.29 **Subd. 4. Alcohol and drug counselor qualifications.** An alcohol and drug
328.30 counselor must meet the requirements in Minnesota Rules, part 9530.6450, subpart 5.

328.31 **Subd. 5. Responsible staff person qualifications.** Each responsible staff person
328.32 must know and understand the implications of this chapter and sections 245A.65,
328.33 253B.04, 253B.05, 626.556, 626.557, and 626.5572. In a clinically managed program, the
328.34 responsible staff person must be a licensed practiced nurse employed by or under contract

329.1 with the license holder. In a medically monitored program, the responsible staff person
329.2 must be a registered nurse, program director, or physician.

329.3 Subd. 6. **Technician qualifications.** A technician employed by a program must
329.4 demonstrate competency, prior to direct patient contact, in the following areas:

329.5 (1) knowledge of the client bill of rights in section 148F.165 and staff responsibilities
329.6 in sections 144.651 and 253B.03;

329.7 (2) knowledge of and the ability to perform basic health screening procedures with
329.8 intoxicated patients that consist of:

329.9 (i) blood pressure, pulse, temperature, and respiration readings;

329.10 (ii) interviewing to obtain relevant medical history and current health complaints; and

329.11 (iii) visual observation of a patient's health status, including monitoring a patient's
329.12 behavior as it relates to health status;

329.13 (3) a current first aid certificate from the American Red Cross or an equivalent
329.14 organization; a current cardiopulmonary resuscitation certificate from the American Red
329.15 Cross, the American Heart Association, a community organization, or an equivalent
329.16 organization; and knowledge of first aid for seizures, trauma, and loss of consciousness; and

329.17 (4) knowledge of and ability to perform basic activities of daily living and personal
329.18 hygiene.

329.19 Subd. 7. **Recovering peer qualifications.** Recovery peers must:

329.20 (1) be at least 21 years of age and have a high school diploma or its equivalent;

329.21 (2) have a minimum of one year in recovery from substance use disorder;

329.22 (3) have completed a curriculum designated by the commissioner that teaches
329.23 specific skills and training in the domains of ethics and boundaries, advocacy, mentoring
329.24 and education, and recovery and wellness support; and

329.25 (4) receive supervision in areas specific to the domains of their role by qualified
329.26 supervisory staff.

329.27 Subd. 8. **Personal relationships.** A license holder must have a written policy
329.28 addressing personal relationships between patients and staff who have direct patient
329.29 contact. The policy must:

329.30 (1) prohibit direct patient contact between a patient and a staff member if the staff
329.31 member has had a personal relationship with the patient within two years prior to the
329.32 patient's admission to the program;

329.33 (2) prohibit access to a patient's clinical records by a staff member who has had a
329.34 personal relationship with the patient within two years prior to the patient's admission,
329.35 unless the patient consents in writing; and

330.1 (3) prohibit a clinical relationship between a staff member and a patient if the staff
330.2 member has had a personal relationship with the patient within two years prior to the
330.3 patient's admission. If a personal relationship exists, the staff member must report the
330.4 relationship to the staff member's supervisor and recuse the staff member from a clinical
330.5 relationship with that patient.

330.6 Sec. 16. **[245F.16] PERSONNEL POLICIES AND PROCEDURES.**

330.7 Subdivision 1. Policy requirements. A license holder must have written personnel
330.8 policies and must make them available to staff members at all times. The personnel
330.9 policies must:

330.10 (1) ensure that staff member's retention, promotion, job assignment, or pay are not
330.11 affected by a good faith communication between the staff member and the Department
330.12 of Human Services, Department of Health, Ombudsman for Mental Health and
330.13 Developmental Disabilities, law enforcement, or local agencies that investigate complaints
330.14 regarding patient rights, health, or safety;

330.15 (2) include a job description for each position that specifies job responsibilities,
330.16 degree of authority to execute job responsibilities, standards of job performance related to
330.17 specified job responsibilities, and qualifications;

330.18 (3) provide for written job performance evaluations for staff members of the license
330.19 holder at least annually;

330.20 (4) describe behavior that constitutes grounds for disciplinary action, suspension, or
330.21 dismissal, including policies that address substance use problems and meet the requirements
330.22 of section 245F.15, subdivisions 1 and 2. The policies and procedures must list behaviors
330.23 or incidents that are considered substance use problems. The list must include:

330.24 (i) receiving treatment for substance use disorder within the period specified for the
330.25 position in the staff qualification requirements;

330.26 (ii) substance use that has a negative impact on the staff member's job performance;

330.27 (iii) substance use that affects the credibility of treatment services with patients,
330.28 referral sources, or other members of the community; and

330.29 (iv) symptoms of intoxication or withdrawal on the job;

330.30 (5) include policies prohibiting personal involvement with patients and policies
330.31 prohibiting patient maltreatment as specified under chapter 604 and sections 245A.65,
330.32 626.556, 626.557, and 626.5572;

330.33 (6) include a chart or description of organizational structure indicating the lines
330.34 of authority and responsibilities;

331.1 (7) include a written plan for new staff member orientation that, at a minimum,
331.2 includes training related to the specific job functions for which the staff member was hired,
331.3 program policies and procedures, patient needs, and the areas identified in subdivision 2,
331.4 paragraphs (b) to (e); and

331.5 (8) include a policy on the confidentiality of patient information.

331.6 Subd. 2. **Staff development.** (a) A license holder must ensure that each staff
331.7 member receives orientation training before providing direct patient care and at least
331.8 30 hours of continuing education every two years. A written record must be kept to
331.9 demonstrate completion of training requirements.

331.10 (b) Within 72 hours of beginning employment, all staff having direct patient contact
331.11 must be provided orientation on the following:

331.12 (1) specific license holder and staff responsibilities for patient confidentiality;

331.13 (2) standards governing the use of protective procedures;

331.14 (3) patient ethical boundaries and patient rights, including the rights of patients
331.15 admitted under chapter 253B;

331.16 (4) infection control procedures;

331.17 (5) mandatory reporting under sections 245A.65, 626.556, and 626.557, including
331.18 specific training covering the facility's policies concerning obtaining patient releases
331.19 of information;

331.20 (6) HIV minimum standards as required in section 245A.19;

331.21 (7) motivational counseling techniques and identifying stages of change; and

331.22 (8) eight hours of training on the program's protective procedures policy required in
331.23 section 245F.09, including:

331.24 (i) approved therapeutic holds;

331.25 (ii) protective procedures used to prevent patients from imminent danger of harming
331.26 self or others;

331.27 (iii) the emergency conditions under which the protective procedures may be used, if
331.28 any;

331.29 (iv) documentation standards for using protective procedures;

331.30 (v) how to monitor and respond to patient distress; and

331.31 (vi) person-centered planning and trauma-informed care.

331.32 (c) All staff having direct patient contact must be provided annual training on the
331.33 following:

331.34 (1) infection control procedures;

- 332.1 (2) mandatory reporting under sections 245A.65, 626.556, and 626.557, including
332.2 specific training covering the facility's policies concerning obtaining patient releases
332.3 of information;
- 332.4 (3) HIV minimum standards as required in section 245A.19; and
332.5 (4) motivational counseling techniques and identifying stages of change.
- 332.6 (d) All staff having direct patient contact must be provided training every two
332.7 years on the following:
- 332.8 (1) specific license holder and staff responsibilities for patient confidentiality;
332.9 (2) standards governing use of protective procedures, including:
- 332.10 (i) approved therapeutic holds;
332.11 (ii) protective procedures used to prevent patients from imminent danger of harming
332.12 self or others;
- 332.13 (iii) the emergency conditions under which the protective procedures may be used, if
332.14 any;
- 332.15 (iv) documentation standards for using protective procedures;
332.16 (v) how to monitor and respond to patient distress; and
332.17 (vi) person-centered planning and trauma-informed care; and
- 332.18 (3) patient ethical boundaries and patient rights, including the rights of patients
332.19 admitted under chapter 253B.
- 332.20 (e) Continuing education that is completed in areas outside of the required topics
332.21 must provide information to the staff person that is useful to the performance of the
332.22 individual staff person's duties.

332.23 **Sec. 17. [245F.18] POLICY AND PROCEDURES MANUAL.**

332.24 A license holder must develop a written policy and procedures manual that is
332.25 alphabetically indexed and has a table of contents, so that staff have immediate access
332.26 to all policies and procedures, and that consumers of the services and other authorized
332.27 parties have access to all policies and procedures. The manual must contain the following
332.28 materials:

- 332.29 (1) a description of patient education services as required in section 245F.06;
332.30 (2) personnel policies that comply with section 245F.16;
332.31 (3) admission information and referral and discharge policies that comply with
332.32 section 245F.05;
- 332.33 (4) a health monitoring plan that complies with section 245F.12;
332.34 (5) a protective procedures policy that complies with section 245F.09, if the program
332.35 elects to use protective procedures;

- 333.1 (6) policies and procedures for assuring appropriate patient-to-staff ratios that
333.2 comply with section 245F.14;
- 333.3 (7) policies and procedures for assessing and documenting the susceptibility for
333.4 risk of abuse to the patient as the basis for the individual abuse prevention plan required
333.5 by section 245A.65;
- 333.6 (8) procedures for mandatory reporting as required by sections 245A.65, 626.556,
333.7 and 626.557;
- 333.8 (9) a medication control plan that complies with section 245F.13; and
- 333.9 (10) policies and procedures regarding HIV that meet the minimum standards
333.10 under section 245A.19.

333.11 Sec. 18. [245F.21] PAYMENT METHODOLOGY.

333.12 The commissioner shall develop a payment methodology for services provided
333.13 under this chapter or by an Indian Health Services facility or a facility owned and operated
333.14 by a tribe or tribal organization operating under Public Law 93-638 as a 638 facility. The
333.15 commissioner shall seek federal approval for the methodology. Upon federal approval, the
333.16 commissioner must seek and obtain legislative approval of the funding methodology to
333.17 support the service.

333.18 **ARTICLE 11**

333.19 **HEALTH-RELATED LICENSING BOARDS**

333.20 Section 1. Minnesota Statutes 2014, section 146B.01, subdivision 28, is amended to
333.21 read:

333.22 Subd. 28. **Supervision.** "Supervision" means the physical presence of a technician
333.23 licensed under this chapter while a body art procedure is being performed: and includes:

333.24 (1) direct supervision, which means the constant physical presence of a technician
333.25 licensed under this chapter within five feet and the line of sight of the temporary technician
333.26 who is performing a body art procedure; and

333.27 (2) indirect supervision, which means the constant physical presence of a technician
333.28 licensed under this chapter in the establishment while a body art procedure is being
333.29 performed by a temporary technician.

333.30 Sec. 2. Minnesota Statutes 2014, section 146B.03, subdivision 4, is amended to read:

333.31 Subd. 4. **Licensure requirements.** (a) An applicant for licensure under this section
333.32 shall submit to the commissioner on a form provided by the commissioner:

333.33 (1) proof that the applicant is over the age of 18;

- 334.1 (2) the type of license the applicant is applying for;
- 334.2 (3) all fees required under section 146B.10;
- 334.3 (4) proof of completing a minimum of 200 hours of supervised experience within
- 334.4 each area for which the applicant is seeking a license, and must include an affidavit from
- 334.5 the supervising licensed technician;
- 334.6 (5) proof of having satisfactorily completed coursework within the year preceding
- 334.7 application and approved by the commissioner on bloodborne pathogens, the prevention
- 334.8 of disease transmission, infection control, and aseptic technique. Courses to be considered
- 334.9 for approval by the commissioner may include, but are not limited to, those administered
- 334.10 by one of the following:
- 334.11 (i) the American Red Cross;
- 334.12 (ii) United States Occupational Safety and Health Administration (OSHA); or
- 334.13 (iii) the Alliance of Professional Tattooists; and
- 334.14 (6) any other relevant information requested by the commissioner.

334.15 The licensure requirements of this paragraph are effective for all applicants for new

334.16 licenses issued before January 1, 2016.

334.17 (b) An applicant for licensure under this section shall submit to the commissioner

334.18 on a form provided by the commissioner:

- 334.19 (1) proof that the applicant is over the age of 18;
- 334.20 (2) the type of license the applicant is applying for;
- 334.21 (3) all fees required under section 146B.10;
- 334.22 (4) a log showing completion of the supervised experience as specified in
- 334.23 subdivision 12;
- 334.24 (5) a signed affidavit from each licensed technician who the applicant listed as
- 334.25 providing supervision for each required activity;
- 334.26 (6) proof of having satisfactorily completed a minimum of five hours of coursework,
- 334.27 within the year preceding application and approved by the commissioner, on bloodborne
- 334.28 pathogens, the prevention of disease transmission, infection control, and aseptic technique.
- 334.29 Courses to be considered for approval by the commissioner may include, but are not
- 334.30 limited to, those administered by one of the following:
- 334.31 (i) the American Red Cross;
- 334.32 (ii) the United States Occupational Safety and Health Administration (OSHA); or
- 334.33 (iii) the Alliance of Professional Tattooists; and
- 334.34 (7) any other relevant information requested by the commissioner.

334.35 The licensure requirements of this paragraph shall be effective for all applicants for new

334.36 licenses issued on or after January 1, 2016.

335.1 Sec. 3. Minnesota Statutes 2014, section 146B.03, subdivision 6, is amended to read:

335.2 Subd. 6. **Licensure term; renewal.** (a) A technician's license is valid for two
335.3 years from the date of issuance and may be renewed upon payment of the renewal fee
335.4 established under section 146B.10.

335.5 (b) At renewal, a licensee must submit proof of continuing education approved by
335.6 the commissioner in the areas identified in subdivision 4, paragraph (b), clause (5) (6).

335.7 (c) The commissioner shall notify the technician of the pending expiration of a
335.8 technician license at least 90 days prior to license expiration.

335.9 Sec. 4. Minnesota Statutes 2014, section 146B.03, is amended by adding a subdivision
335.10 to read:

335.11 Subd. 12. **Required supervised experience.** An applicant for a body art technician
335.12 license shall complete the following minimum supervised experience for licensure:

335.13 (1) an applicant for a tattoo technician license or a dual body art technician license
335.14 must complete a minimum of 200 hours of tattoo experience under supervision; and

335.15 (2) an applicant for a body piercing technician license or a dual body art technician
335.16 license must perform 250 body piercings under direct supervision and 250 body piercings
335.17 under indirect supervision.

335.18 Sec. 5. Minnesota Statutes 2014, section 146B.07, subdivision 1, is amended to read:

335.19 Subdivision 1. **Proof of age.** (a) A technician shall require proof of age from clients
335.20 who state they are 18 years of age or older before performing any body art procedure on a
335.21 client. Proof of age must be established by one of the following methods:

335.22 (1) a valid driver's license or identification card issued by the state of Minnesota or
335.23 another state that includes a photograph and date of birth of the individual;

335.24 (2) a valid military identification card issued by the United States Department of
335.25 Defense;

335.26 (3) a valid passport;

335.27 (4) a resident alien card; or

335.28 (5) a tribal identification card.

335.29 (b) Before performing any body art procedure, the technician must provide the client
335.30 with a disclosure and authorization form that indicates whether the client has:

335.31 (1) diabetes;

335.32 (2) a history of hemophilia;

335.33 (3) a history of skin diseases, skin lesions, or skin sensitivities to soap or disinfectants;

335.34 (4) a history of epilepsy, seizures, fainting, or narcolepsy;

336.1 (5) any condition that requires the client to take medications such as anticoagulants
336.2 that thin the blood or interfere with blood clotting; or

336.3 (6) any other information that would aid the technician in the body art procedure
336.4 process evaluation.

336.5 (c) The form must include a statement informing the client that the technician shall
336.6 not perform a body art procedure if the client fails to complete or sign the disclosure and
336.7 authorization form, and the technician may decline to perform a body art procedure if the
336.8 client has any identified health conditions.

336.9 (d) The technician shall ask the client to sign and date the disclosure and
336.10 authorization form confirming that the information listed on the form is accurate.

336.11 (e) Before performing any body art procedure, the technician shall offer and make
336.12 available to the client personal draping, as appropriate.

336.13 Sec. 6. Minnesota Statutes 2014, section 146B.07, subdivision 2, is amended to read:

336.14 Subd. 2. **Parent or legal guardian consent; prohibitions.** (a) A technician may
336.15 perform body piercings on an individual under the age of 18 ~~if~~ when:

336.16 (1) the individual's parent or legal guardian is present and;

336.17 (2) the parent or legal guardian provides personal identification as provided in
336.18 subdivision 1, paragraph (a), clauses (1) to (5);

336.19 (3) the individual under age 18 provides proof of identification and age as provided
336.20 in subdivision 1, paragraph (a), clauses (1) to (5), by a current student identification,
336.21 or by another method that includes a photograph and the name of the individual from
336.22 an official source;

336.23 (4) the parent or legal guardian provides other documentation to reasonably establish
336.24 that the individual is the parent or the legal guardian of the individual under age 18 who is
336.25 seeking a body piercing;

336.26 (5) a consent form and the authorization form under subdivision 1, paragraph (b) is
336.27 signed by the parent or legal guardian in the presence of the technician; and

336.28 (6) the piercing is not prohibited under paragraph (c).

336.29 (b) No technician shall tattoo any individual under the age of 18 regardless of
336.30 parental or guardian consent.

336.31 (c) No nipple or genital piercing, branding, scarification, suspension, subdermal
336.32 implantation, microdermal, or tongue bifurcation shall be performed by any technician on
336.33 any individual under the age of 18 regardless of parental or guardian consent.

337.1 (d) No technician shall perform body art procedures on any individual who appears
337.2 to be under the influence of alcohol, controlled substances as defined in section 152.01,
337.3 subdivision 4, or hazardous substances as defined in rules adopted under chapter 182.

337.4 (e) No technician shall perform body art procedures while under the influence of
337.5 alcohol, controlled substances as defined under section 152.01, subdivision 4, or hazardous
337.6 substances as defined in the rules adopted under chapter 182.

337.7 (f) No technician shall administer anesthetic injections or other medications.

337.8 Sec. 7. Minnesota Statutes 2014, section 147.091, subdivision 1, is amended to read:

337.9 Subdivision 1. **Grounds listed.** The board may refuse to grant a license, may
337.10 refuse to grant registration to perform interstate telemedicine services, or may impose
337.11 disciplinary action as described in section 147.141 against any physician. The following
337.12 conduct is prohibited and is grounds for disciplinary action:

337.13 (a) Failure to demonstrate the qualifications or satisfy the requirements for a license
337.14 contained in this chapter or rules of the board. The burden of proof shall be upon the
337.15 applicant to demonstrate such qualifications or satisfaction of such requirements.

337.16 (b) Obtaining a license by fraud or cheating, or attempting to subvert the licensing
337.17 examination process. Conduct which subverts or attempts to subvert the licensing
337.18 examination process includes, but is not limited to: (1) conduct which violates the
337.19 security of the examination materials, such as removing examination materials from the
337.20 examination room or having unauthorized possession of any portion of a future, current, or
337.21 previously administered licensing examination; (2) conduct which violates the standard of
337.22 test administration, such as communicating with another examinee during administration
337.23 of the examination, copying another examinee's answers, permitting another examinee
337.24 to copy one's answers, or possessing unauthorized materials; or (3) impersonating an
337.25 examinee or permitting an impersonator to take the examination on one's own behalf.

337.26 (c) Conviction, during the previous five years, of a felony reasonably related to the
337.27 practice of medicine or osteopathy. Conviction as used in this subdivision shall include
337.28 a conviction of an offense which if committed in this state would be deemed a felony
337.29 without regard to its designation elsewhere, or a criminal proceeding where a finding or
337.30 verdict of guilt is made or returned but the adjudication of guilt is either withheld or
337.31 not entered thereon.

337.32 (d) Revocation, suspension, restriction, limitation, or other disciplinary action
337.33 against the person's medical license in another state or jurisdiction, failure to report to the
337.34 board that charges regarding the person's license have been brought in another state or
337.35 jurisdiction, or having been refused a license by any other state or jurisdiction.

338.1 (e) Advertising which is false or misleading, which violates any rule of the board,
338.2 or which claims without substantiation the positive cure of any disease, or professional
338.3 superiority to or greater skill than that possessed by another physician.

338.4 (f) Violating a rule promulgated by the board or an order of the board, a state, or
338.5 federal law which relates to the practice of medicine, or in part regulates the practice of
338.6 medicine including without limitation sections 604.201, 609.344, and 609.345, or a state
338.7 or federal narcotics or controlled substance law.

338.8 (g) Engaging in any unethical conduct; conduct likely to deceive, defraud, or harm
338.9 the public, or demonstrating a willful or careless disregard for the health, welfare or safety
338.10 of a patient; or medical practice which is professionally incompetent, in that it may create
338.11 unnecessary danger to any patient's life, health, or safety, in any of which cases, proof
338.12 of actual injury need not be established.

338.13 (h) Failure to supervise a physician assistant or failure to supervise a physician
338.14 under any agreement with the board.

338.15 (i) Aiding or abetting an unlicensed person in the practice of medicine, except that
338.16 it is not a violation of this paragraph for a physician to employ, supervise, or delegate
338.17 functions to a qualified person who may or may not be required to obtain a license or
338.18 registration to provide health services if that person is practicing within the scope of that
338.19 person's license or registration or delegated authority.

338.20 (j) Adjudication as mentally incompetent, mentally ill or developmentally disabled,
338.21 or as a chemically dependent person, a person dangerous to the public, a sexually
338.22 dangerous person, or a person who has a sexual psychopathic personality by a court of
338.23 competent jurisdiction, within or without this state. Such adjudication shall automatically
338.24 suspend a license for the duration thereof unless the board orders otherwise.

338.25 (k) Engaging in unprofessional conduct. Unprofessional conduct shall include
338.26 any departure from or the failure to conform to the minimal standards of acceptable
338.27 and prevailing medical practice in which proceeding actual injury to a patient need not
338.28 be established.

338.29 (l) Inability to practice medicine with reasonable skill and safety to patients by
338.30 reason of illness, drunkenness, use of drugs, narcotics, chemicals or any other type of
338.31 material or as a result of any mental or physical condition, including deterioration through
338.32 the aging process or loss of motor skills.

338.33 (m) Revealing a privileged communication from or relating to a patient except when
338.34 otherwise required or permitted by law.

339.1 (n) Failure by a doctor of osteopathy to identify the school of healing in the
339.2 professional use of the doctor's name by one of the following terms: osteopathic physician
339.3 and surgeon, doctor of osteopathy, or D.O.

339.4 (o) Improper management of medical records, including failure to maintain adequate
339.5 medical records, to comply with a patient's request made pursuant to sections 144.291 to
339.6 144.298 or to furnish a medical record or report required by law.

339.7 (p) Fee splitting, including without limitation:

339.8 (1) paying, offering to pay, receiving, or agreeing to receive, a commission, rebate,
339.9 or remuneration, directly or indirectly, primarily for the referral of patients or the
339.10 prescription of drugs or devices;

339.11 (2) dividing fees with another physician or a professional corporation, unless the
339.12 division is in proportion to the services provided and the responsibility assumed by each
339.13 professional and the physician has disclosed the terms of the division;

339.14 (3) referring a patient to any health care provider as defined in sections 144.291 to
339.15 144.298 in which the referring physician has a "financial or economic interest," as defined
339.16 in section 144.6521, subdivision 3, unless the physician has disclosed the physician's
339.17 financial or economic interest in accordance with section 144.6521; and

339.18 (4) dispensing for profit any drug or device, unless the physician has disclosed the
339.19 physician's own profit interest.

339.20 The physician must make the disclosures required in this clause in advance and in writing
339.21 to the patient and must include in the disclosure a statement that the patient is free to
339.22 choose a different health care provider. This clause does not apply to the distribution
339.23 of revenues from a partnership, group practice, nonprofit corporation, or professional
339.24 corporation to its partners, shareholders, members, or employees if the revenues consist
339.25 only of fees for services performed by the physician or under a physician's direct
339.26 supervision, or to the division or distribution of prepaid or capitated health care premiums,
339.27 or fee-for-service withhold amounts paid under contracts established under other state law.

339.28 (q) Engaging in abusive or fraudulent billing practices, including violations of the
339.29 federal Medicare and Medicaid laws or state medical assistance laws.

339.30 (r) Becoming addicted or habituated to a drug or intoxicant.

339.31 (s) Prescribing a drug or device for other than medically accepted therapeutic or
339.32 experimental or investigative purposes authorized by a state or federal agency or referring
339.33 a patient to any health care provider as defined in sections 144.291 to 144.298 for services
339.34 or tests not medically indicated at the time of referral.

340.1 (t) Engaging in conduct with a patient which is sexual or may reasonably be
340.2 interpreted by the patient as sexual, or in any verbal behavior which is seductive or
340.3 sexually demeaning to a patient.

340.4 (u) Failure to make reports as required by section 147.111 or to cooperate with an
340.5 investigation of the board as required by section 147.131.

340.6 (v) Knowingly providing false or misleading information that is directly related
340.7 to the care of that patient unless done for an accepted therapeutic purpose such as the
340.8 administration of a placebo.

340.9 (w) Aiding suicide or aiding attempted suicide in violation of section 609.215 as
340.10 established by any of the following:

340.11 (1) a copy of the record of criminal conviction or plea of guilty for a felony in
340.12 violation of section 609.215, subdivision 1 or 2;

340.13 (2) a copy of the record of a judgment of contempt of court for violating an
340.14 injunction issued under section 609.215, subdivision 4;

340.15 (3) a copy of the record of a judgment assessing damages under section 609.215,
340.16 subdivision 5; or

340.17 (4) a finding by the board that the person violated section 609.215, subdivision
340.18 1 or 2. The board shall investigate any complaint of a violation of section 609.215,
340.19 subdivision 1 or 2.

340.20 (x) Practice of a board-regulated profession under lapsed or nonrenewed credentials.

340.21 ~~(y) Failure to repay a state or federally secured student loan in accordance with~~
340.22 ~~the provisions of the loan.~~

340.23 ~~(z)~~ (y) Providing interstate telemedicine services other than according to section
340.24 147.032.

340.25 Sec. 8. Minnesota Statutes 2014, section 148.271, is amended to read:

340.26 **148.271 EXEMPTIONS.**

340.27 The provisions of sections 148.171 to 148.285 shall not prohibit:

340.28 (1) The furnishing of nursing assistance in an emergency.

340.29 (2) The practice of advanced practice, professional, or practical nursing by any
340.30 legally qualified advanced practice, registered, or licensed practical nurse of another state
340.31 who is employed by the United States government or any bureau, division, or agency
340.32 thereof while in the discharge of official duties.

340.33 (3) The practice of any profession or occupation licensed by the state, other than
340.34 advanced practice, professional, or practical nursing, by any person duly licensed to

341.1 practice the profession or occupation, or the performance by a person of any acts properly
341.2 coming within the scope of the profession, occupation, or license.

341.3 (4) The provision of a nursing or nursing-related service by an unlicensed assistive
341.4 person who has been delegated or assigned the specific function and is supervised by a
341.5 registered nurse or monitored by a licensed practical nurse.

341.6 (5) The care of the sick with or without compensation when done in a nursing home
341.7 covered by the provisions of section 144A.09, subdivision 1.

341.8 (6) Professional nursing practice or advanced practice registered nursing practice by
341.9 a registered nurse or practical nursing practice by a licensed practical nurse licensed in
341.10 another state or territory who is in Minnesota as a student enrolled in a formal, structured
341.11 course of study, such as a course leading to a higher degree, certification in a nursing
341.12 specialty, or to enhance skills in a clinical field, while the student is practicing in the course.

341.13 (7) Professional or practical nursing practice by a student practicing under the
341.14 supervision of an instructor while the student is enrolled in a nursing program approved by
341.15 the board under section 148.251.

341.16 (8) Advanced practice registered nursing as defined in section 148.171, subdivisions
341.17 5, 10, 11, 13, and 21, by a registered nurse who is licensed and currently registered in
341.18 Minnesota or another United States jurisdiction and who is enrolled as a student in a
341.19 formal graduate education program leading to eligibility for certification and licensure
341.20 as an advanced practice registered nurse.

341.21 (9) Professional nursing practice or advanced practice registered nursing practice by
341.22 a registered nurse or advanced practice registered nurse licensed in another state, territory,
341.23 or jurisdiction who is in Minnesota temporarily:

341.24 (i) providing continuing or in-service education;

341.25 (ii) serving as a guest lecturer;

341.26 (iii) presenting at a conference; or

341.27 (iv) teaching didactic content via distance education to a student located in

341.28 Minnesota who is enrolled in a formal, structured course of study, such as a course leading
341.29 to a higher degree or certification in a nursing specialty.

341.30 Sec. 9. Minnesota Statutes 2014, section 148.52, is amended to read:

341.31 **148.52 BOARD OF OPTOMETRY.**

341.32 The Board of Optometry shall consist of two public members as defined by section
341.33 214.02 and five qualified Minnesota licensed optometrists appointed by the governor.

341.34 Membership terms, compensation of members, removal of members, the filling of

342.1 membership vacancies, and fiscal year and reporting requirements shall be as provided in
342.2 sections 214.07 to 214.09.

342.3 The provision of staff, administrative services and office space; the review and
342.4 processing of complaints; the setting of board fees; and other provisions relating to board
342.5 operations shall be as provided in chapter 214.

342.6 Sec. 10. Minnesota Statutes 2014, section 148.54, is amended to read:

342.7 **148.54 BOARD; SEAL.**

342.8 The Board of Optometry shall elect from among its members a president, vice
342.9 president, and secretary and may adopt a seal.

342.10 Sec. 11. Minnesota Statutes 2014, section 148.57, subdivision 1, is amended to read:

342.11 Subdivision 1. **Examination.** (a) A person not authorized to practice optometry in
342.12 the state and desiring to do so shall apply to the state Board of Optometry by filling out
342.13 and swearing to an application for a license granted by the board and accompanied by a
342.14 fee ~~in an amount of \$87~~ established by the board, not to exceed the amount specified in
342.15 section 148.59. With the submission of the application form, the candidate shall prove
342.16 that the candidate:

342.17 (1) is of good moral character;

342.18 (2) has obtained a clinical doctorate degree from a board-approved school or college
342.19 of optometry, or is currently enrolled in the final year of study at such an institution; and

342.20 (3) has passed all parts of an examination.

342.21 (b) The examination shall include both a written portion and a clinical practical
342.22 portion and shall thoroughly test the fitness of the candidate to practice in this state. In
342.23 regard to the written and clinical practical examinations, the board may:

342.24 (1) prepare, administer, and grade the examination itself;

342.25 (2) recognize and approve in whole or in part an examination prepared, administered
342.26 and graded by a national board of examiners in optometry; or

342.27 (3) administer a recognized and approved examination prepared and graded by or
342.28 under the direction of a national board of examiners in optometry.

342.29 (c) The board shall issue a license to each applicant who satisfactorily passes the
342.30 examinations and fulfills the other requirements stated in this section ~~and section 148.575~~
342.31 ~~for board certification for the use of legend drugs. Applicants for initial licensure do not~~
342.32 ~~need to apply for or possess a certificate as referred to in sections 148.571 to 148.574. The~~
342.33 ~~fees mentioned in this section are for the use of the board and in no case shall be refunded.~~

343.1 Sec. 12. Minnesota Statutes 2014, section 148.57, subdivision 2, is amended to read:

343.2 Subd. 2. **Endorsement.** (a) An optometrist who holds a current license from
343.3 another state, and who has practiced in that state not less than three years immediately
343.4 preceding application, may apply for licensure in Minnesota by filling out and swearing
343.5 to an application for license by endorsement furnished by the board. The completed
343.6 application with all required documentation shall be filed at the board office along with a
343.7 fee of ~~\$87~~ established by the board, not to exceed the amount specified in section 148.59.
343.8 The application fee shall be for the use of the board and in no case shall be refunded.

343.9 (b) To verify that the applicant possesses the knowledge and ability essential to the
343.10 practice of optometry in this state, the applicant must provide evidence of:

343.11 (1) having obtained a clinical doctorate degree from a board-approved school
343.12 or college of optometry;

343.13 (2) successful completion of both written and practical examinations for licensure in
343.14 the applicant's original state of licensure that thoroughly tested the fitness of the applicant
343.15 to practice;

343.16 (3) successful completion of an examination of Minnesota state optometry laws;

343.17 (4) compliance with the requirements ~~for board certification~~ in section 148.575;

343.18 (5) compliance with all continuing education required for license renewal in every
343.19 state in which the applicant currently holds an active license to practice; and

343.20 (6) being in good standing with every state board from which a license has been
343.21 issued.

343.22 (c) Documentation from a national certification system or program, approved by
343.23 the board, which supports any of the listed requirements, may be used as evidence. The
343.24 applicant may then be issued a license if the requirements for licensure in the other state
343.25 are deemed by the board to be equivalent to those of sections 148.52 to 148.62.

343.26 Sec. 13. Minnesota Statutes 2014, section 148.57, is amended by adding a subdivision
343.27 to read:

343.28 Subd. 5. **Change of address.** A person regulated by the board shall maintain a
343.29 current name and address with the board and shall notify the board in writing within 30
343.30 days of any change in name or address. If a name change only is requested, the regulated
343.31 person must request revised credentials and return the current credentials to the board.
343.32 The board may require the regulated person to substantiate the name change by submitting
343.33 official documentation from a court of law or agency authorized under law to receive and
343.34 officially record a name change. If an address change only is requested, no request for

344.1 revised credentials is required. If the regulated person's current credentials have been lost,
344.2 stolen, or destroyed, the person shall provide a written explanation to the board.

344.3 Sec. 14. Minnesota Statutes 2014, section 148.574, is amended to read:

344.4 **148.574 PROHIBITIONS RELATING TO LEGEND DRUGS;**
344.5 **~~AUTHORIZING SALES BY PHARMACISTS UNDER CERTAIN CONDITIONS.~~**

344.6 ~~An optometrist shall not purchase, possess, administer, prescribe or give any legend~~
344.7 ~~drug as defined in section 151.01 or 152.02 to any person except as is expressly authorized~~
344.8 ~~by sections 148.571 to 148.577. Nothing in chapter 151 shall prevent a pharmacist from~~
344.9 ~~selling topical ocular drugs to an optometrist authorized to use such drugs according to~~
344.10 ~~sections 148.571 to 148.577. Notwithstanding sections 151.37 and 152.12, an optometrist~~
344.11 ~~is prohibited from dispensing legend drugs at retail, unless the legend drug is within the~~
344.12 ~~scope designated in section 148.56, subdivision 1, and is administered to the eye through~~
344.13 ~~an ophthalmic good as defined in section 145.711, subdivision 4.~~

344.14 Sec. 15. Minnesota Statutes 2014, section 148.575, subdivision 2, is amended to read:

344.15 Subd. 2. ~~Board-certified~~ **Requirements defined.** ~~"Board-certified" means that A~~
344.16 ~~licensed optometrist has been issued a certificate by the Board of Optometry certifying~~
344.17 ~~that the optometrist has complied~~ shall comply with the following requirements for the use
344.18 of legend drugs ~~described in section 148.576:~~

344.19 ~~(1) successful completion of at least 60 hours of study in general and ocular~~
344.20 ~~pharmacology emphasizing drugs used for examination or treatment purposes, their~~
344.21 ~~systemic effects and management or referral of adverse reactions;~~

344.22 ~~(2)~~ (1) successful completion of at least 100 hours of study in the examination,
344.23 diagnosis, and treatment of conditions of the human eye with legend drugs;

344.24 ~~(3)~~ (2) successful completion of two years of supervised clinical experience in
344.25 differential diagnosis of eye disease or disorders as part of optometric training or one year
344.26 of that experience and ten years of actual clinical experience as a licensed optometrist; and

344.27 ~~(4)~~ (3) successful completion of a nationally standardized examination approved or
344.28 administered by the board on the subject of treatment and management of ocular disease.

344.29 Sec. 16. Minnesota Statutes 2014, section 148.577, is amended to read:

344.30 **148.577 STANDARD OF CARE.**

344.31 A licensed optometrist ~~who is board-certified under section 148.575~~ is held to the
344.32 same standard of care in the use of those legend drugs as physicians licensed by the state
344.33 of Minnesota.

345.1 Sec. 17. Minnesota Statutes 2014, section 148.59, is amended to read:

345.2 **148.59 LICENSE RENEWAL; FEE LICENSE AND REGISTRATION FEES.**

345.3 A licensed optometrist shall pay to the state Board of Optometry a fee as set by the
345.4 board in order to renew a license as provided by board rule. No fees shall be refunded.
345.5 Fees may not exceed the following amounts but may be adjusted lower by board direction
345.6 and are for the exclusive use of the board:

- 345.7 (1) optometry licensure application, \$160;
345.8 (2) optometry annual licensure renewal, \$135;
345.9 (3) optometry late penalty fee, \$75;
345.10 (4) annual license renewal card, \$10;
345.11 (5) continuing education provider application, \$45;
345.12 (6) emeritus registration, \$10;
345.13 (7) endorsement/reciprocity application, \$160;
345.14 (8) replacement of initial license, \$12; and
345.15 (9) license verification, \$50.

345.16 Sec. 18. Minnesota Statutes 2014, section 148.603, is amended to read:

345.17 **148.603 FORMS OF GROUNDS FOR DISCIPLINARY ACTIONS ACTION.**

345.18 ~~When grounds exist under section 148.57, subdivision 3, or other statute or rule~~
345.19 ~~which the board is authorized to enforce, the board may take one or more of the following~~
345.20 ~~disciplinary actions, provided that disciplinary or corrective action may not be imposed~~
345.21 ~~by the board on any regulated person except after a contested case hearing conducted~~
345.22 ~~pursuant to chapter 14 or by consent of the parties:~~

- 345.23 ~~(1) deny an application for a credential;~~
345.24 ~~(2) revoke the regulated person's credential;~~
345.25 ~~(3) suspend the regulated person's credential;~~
345.26 ~~(4) impose limitations on the regulated person's credential;~~
345.27 ~~(5) impose conditions on the regulated person's credential;~~
345.28 ~~(6) censure or reprimand the regulated person;~~
345.29 ~~(7) impose a civil penalty not exceeding \$10,000 for each separate violation, the~~
345.30 ~~amount of the civil penalty to be fixed so as to deprive the person of any economic~~
345.31 ~~advantage gained by reason of the violation or to discourage similar violations or to~~
345.32 ~~reimburse the board for the cost of the investigation and proceeding. For purposes of~~
345.33 ~~this section, the cost of the investigation and proceeding may include, but is not limited~~
345.34 ~~to, fees paid for services provided by the Office of Administrative Hearings, legal and~~
345.35 ~~investigative services provided by the Office of the Attorney General, court reporters,~~

346.1 witnesses, reproduction of records, board members' per diem compensation, board staff
346.2 time, and travel costs and expenses incurred by board staff and board members; or

346.3 (8) when grounds exist under section 148.57, subdivision 3, or a board rule, enter
346.4 into an agreement with the regulated person for corrective action which may include
346.5 requiring the regulated person:

346.6 (i) to complete an educational course or activity;

346.7 (ii) to submit to the executive director or designated board member a written
346.8 protocol or reports designed to prevent future violations of the same kind;

346.9 (iii) to meet with a board member or board designee to discuss prevention of future
346.10 violations of the same kind; or

346.11 (iv) to perform other action justified by the facts.

346.12 Listing the measures in clause (8) does not preclude the board from including
346.13 them in an order for disciplinary action. The board may refuse to grant a license or
346.14 may impose disciplinary action as described in section 148.607 against any optometrist
346.15 for the following:

346.16 (1) failure to demonstrate the qualifications or satisfy the requirements for a license
346.17 contained in this chapter or in rules of the board. The burden of proof shall be on the
346.18 applicant to demonstrate the qualifications or the satisfaction of the requirements;

346.19 (2) obtaining a license by fraud or cheating, or attempting to subvert the licensing
346.20 examination process. Conduct which subverts or attempts to subvert the licensing
346.21 examination process includes, but is not limited to: (i) conduct which violates the
346.22 security of the examination materials, such as removing examination materials from the
346.23 examination room or having unauthorized possession of any portion of a future, current, or
346.24 previously administered licensing examination; (ii) conduct which violates the standard of
346.25 test administration, such as communicating with another examinee during administration
346.26 of the examination, copying another examinee's answers, permitting another examinee
346.27 to copy one's answers, or possessing unauthorized materials; or (iii) impersonating an
346.28 examinee or permitting an impersonator to take the examination on one's own behalf;

346.29 (3) conviction, during the previous five years, of a felony or gross misdemeanor,
346.30 reasonably related to the practice of optometry. Conviction as used in this section shall
346.31 include a conviction of an offense which if committed in this state would be deemed a
346.32 felony or gross misdemeanor without regard to its designation elsewhere, or a criminal
346.33 proceeding where a finding or verdict of guilt is made or returned but the adjudication of
346.34 guilt is either withheld or not entered thereon;

346.35 (4) revocation, suspension, restriction, limitation, or other disciplinary action against
346.36 the person's optometry license in another state or jurisdiction, failure to report to the

347.1 board that charges regarding the person's license have been brought in another state or
347.2 jurisdiction, or having been refused a license by any other state or jurisdiction;

347.3 (5) advertising which is false or misleading, which violates any rule of the board, or
347.4 which claims without substantiation the positive cure of any disease;

347.5 (6) violating a rule adopted by the board or an order of the board, a state or federal
347.6 law, which relates to the practice of optometry, or a state or federal narcotics or controlled
347.7 substance law;

347.8 (7) engaging in any unethical conduct; conduct likely to deceive, defraud, or harm
347.9 the public, or demonstrating a willful or careless disregard for the health, welfare, or
347.10 safety of a patient; or practice of optometry which is professionally incompetent, in that
347.11 it may create unnecessary danger to any patient's life, health, or safety, which in any of
347.12 the cases, proof of actual injury need not be established;

347.13 (8) failure to supervise an optometrist's assistant or failure to supervise an
347.14 optometrist under any agreement with the board;

347.15 (9) aiding or abetting an unlicensed person in the practice of optometry, except that
347.16 it is not a violation of this section for an optometrist to employ, supervise, or delegate
347.17 functions to a qualified person who may or may not be required to obtain a license or
347.18 registration to provide health services if that person is practicing within the scope of that
347.19 person's license or registration or delegated authority;

347.20 (10) adjudication as mentally incompetent, mentally ill, or developmentally
347.21 disabled, or as a chemically dependent person, a person dangerous to the public, a sexually
347.22 dangerous person, or a person who has a sexual psychopathic personality by a court of
347.23 competent jurisdiction, within or without this state. Such adjudication shall automatically
347.24 suspend a license for the duration of the license unless the board orders otherwise;

347.25 (11) engaging in unprofessional conduct which includes any departure from or the
347.26 failure to conform to the minimal standards of acceptable and prevailing practice in which
347.27 case actual injury to a patient need not be established;

347.28 (12) inability to practice optometry with reasonable skill and safety to patients
347.29 by reason of illness, use of alcohol, drugs, narcotics, chemicals, or any other type of
347.30 material or as a result of any mental or physical condition, including deterioration through
347.31 the aging process or loss of motor skills;

347.32 (13) revealing a privileged communication from or relating to a patient except when
347.33 otherwise required or permitted by law;

347.34 (14) improper management of medical records, including failure to maintain
347.35 adequate medical records, to comply with a patient's request made pursuant to sections
347.36 144.291 to 144.298 or to furnish a medical record or report required by law;

- 348.1 (15) fee splitting, including without limitation:
348.2 (i) paying, offering to pay, receiving, or agreeing to receive a commission, rebate, or
348.3 remuneration, directly or indirectly, primarily for the referral of patients or the prescription
348.4 of drugs or devices; and
348.5 (ii) dividing fees with another optometrist, other health care provider, or a
348.6 professional corporation, unless the division is in proportion to the services provided
348.7 and the responsibility assumed by each professional and the optometrist has disclosed
348.8 the terms of the division;
348.9 (16) engaging in abusive or fraudulent billing practices, including violations of the
348.10 federal Medicare and Medicaid laws or state medical assistance laws;
348.11 (17) becoming addicted or habituated to a drug or intoxicant;
348.12 (18) prescribing a drug or device for other than accepted therapeutic or experimental
348.13 or investigative purposes authorized by the state or a federal agency;
348.14 (19) engaging in conduct with a patient which is sexual or may reasonably be
348.15 interpreted by the patient as sexual, or in any verbal behavior which is seductive or
348.16 sexually demeaning to a patient;
348.17 (20) failure to make reports as required by section 148.604 or to cooperate with an
348.18 investigation of the board as required by section 148.606;
348.19 (21) knowingly providing false or misleading information that is directly related to
348.20 the care of a patient; and
348.21 (22) practice of a board-regulated profession under lapsed or nonrenewed credentials.

348.22 Sec. 19. **[148.604] REPORTING OBLIGATIONS.**

348.23 Subdivision 1. **Permission to report.** A person who has knowledge of any conduct
348.24 constituting grounds for discipline under sections 148.52 to 148.62 may report the
348.25 violation to the board.

348.26 Subd. 2. **Institutions.** Any hospital, clinic, prepaid medical plan, or other health
348.27 care institution or organization located in this state shall report to the board any action
348.28 taken by the institution or organization or any of its administrators or medical or other
348.29 committees to revoke, suspend, restrict, or condition an optometrist's privilege to practice
348.30 or treat patients in the institution, or as part of the organization, any denial of privileges,
348.31 or any other disciplinary action. The institution or organization shall also report the
348.32 resignation of any optometrist prior to the conclusion of any disciplinary proceeding, or
348.33 prior to the commencement of formal charges but after the optometrist had knowledge
348.34 that formal charges were contemplated or in preparation. Each report made under this
348.35 subdivision must state the nature of the action taken, state in detail the reasons for

349.1 the action, and identify the specific patient medical records upon which the action was
349.2 based. No report shall be required of an optometrist voluntarily limiting the practice of
349.3 the optometrist at a hospital provided that the optometrist notifies all hospitals where the
349.4 optometrist has privileges of the voluntary limitation and the reasons for it.

349.5 Subd. 3. **Licensed professionals.** A licensed optometrist shall report to the board
349.6 personal knowledge of any conduct by any optometrist which the person reasonably
349.7 believes constitutes grounds for disciplinary action under sections 148.52 to 148.62,
349.8 including any conduct indicating that the person may be incompetent, may have engaged
349.9 in unprofessional conduct, or may be physically unable to safely engage in the practice
349.10 of optometry.

349.11 Subd. 4. **Self-reporting.** An optometrist shall report to the board any personal
349.12 action which would require that a report be filed with the board by any person, health care
349.13 facility, business, or organization pursuant to subdivisions 2 and 3.

349.14 Subd. 5. **Deadlines; forms; rulemaking.** Reports required by subdivisions 2 to
349.15 4 must be submitted not later than 30 days after the occurrence of the reportable event
349.16 or transaction. The board may provide forms for the submission of reports required by
349.17 this section, may require that reports be submitted on the forms provided, and may adopt
349.18 rules necessary to ensure prompt and accurate reporting.

349.19 Subd. 6. **Subpoenas.** The board may issue subpoenas for the production of any
349.20 reports required by subdivisions 2 to 4 or any related documents.

349.21 Sec. 20. **[148.605] IMMUNITY.**

349.22 Subdivision 1. **Reporting.** Any person, health care facility, business, or organization
349.23 is immune from civil liability or criminal prosecution for submitting a report to the
349.24 board pursuant to section 148.604 or for otherwise reporting to the board violations or
349.25 alleged violations of section 148.603, if they are acting in good faith and in the exercise
349.26 of reasonable care.

349.27 Subd. 2. **Investigation; indemnification.** (a) Members of the board, persons
349.28 employed by the board, and consultants retained by the board for the purpose of
349.29 investigation of violations, the preparation of charges, and management of board orders on
349.30 behalf of the board are immune from civil liability and criminal prosecution for any actions,
349.31 transactions, or publications in the execution of, or relating to, their duties under sections
349.32 148.52 to 148.62, if they are acting in good faith and in the exercise of reasonable care.

349.33 (b) Members of the board and persons employed by the board or engaged in
349.34 maintaining records and making reports regarding adverse health care events are immune
349.35 from civil liability and criminal prosecution for any actions, transactions, or publications

350.1 in the execution of, or relating to, their duties under sections 148.52 to 148.62, if they are
350.2 acting in good faith and in the exercise of reasonable care.

350.3 (c) For purposes of this section, a member of the board or a consultant described in
350.4 paragraph (a) is considered a state employee under section 3.736, subdivision 9.

350.5 Sec. 21. **[148.606] OPTOMETRIST COOPERATION.**

350.6 An optometrist who is the subject of an investigation by or on behalf of the board
350.7 shall cooperate fully with the investigation. Cooperation includes responding fully and
350.8 promptly to any question raised by or on behalf of the board relating to the subject of the
350.9 investigation and providing copies of patient medical records, as reasonably requested
350.10 by the board, to assist the board in its investigation. If the board does not have written
350.11 consent from a patient permitting access to the patient's records, the optometrist shall
350.12 delete any data in the record which identifies the patient before providing it to the board.
350.13 The board shall maintain any records obtained pursuant to this section as investigative
350.14 data pursuant to chapter 13.

350.15 Sec. 22. **[148.607] DISCIPLINARY ACTIONS.**

350.16 When the board finds that a licensed optometrist under section 148.57 has violated a
350.17 provision or provisions of sections 148.52 to 148.62, it may do one or more of the following:

350.18 (1) revoke the license;

350.19 (2) suspend the license;

350.20 (3) impose limitations or conditions on the optometrist's practice of optometry,
350.21 including the limitation of scope of practice to designated field specialties; the imposition
350.22 of retraining or rehabilitation requirements; the requirement of practice under supervision;
350.23 or the conditioning of continued practice on demonstration of knowledge or skills by
350.24 appropriate examination or other review of skill and competence;

350.25 (4) impose a civil penalty not exceeding \$10,000 for each separate violation, the
350.26 amount of the civil penalty to be fixed so as to deprive the optometrist of any economic
350.27 advantage gained by reason of the violation charged or to reimburse the board for the cost
350.28 of the investigation and proceeding; and

350.29 (5) censure or reprimand the licensed optometrist.

350.30 Sec. 23. Minnesota Statutes 2014, section 148E.075, is amended to read:

350.31 **148E.075 INACTIVE LICENSES ALTERNATE LICENSES.**

350.32 Subdivision 1. ~~Inactive status~~ **Temporary leave license.** (a) ~~A licensee qualifies~~
350.33 ~~for inactive status under either of the circumstances described in paragraph (b) or (c):~~

351.1 ~~(b) A licensee qualifies for inactive status when the licensee is granted temporary~~
351.2 ~~leave from active practice.~~ A licensee qualifies for temporary leave from active practice if
351.3 the licensee demonstrates to the satisfaction of the board that the licensee is not engaged
351.4 in the practice of social work in any setting, including settings in which social workers are
351.5 exempt from licensure according to section 148E.065. A licensee who is granted temporary
351.6 leave from active practice may reactivate the license according to section 148E.080.

351.7 (b) A licensee may maintain a temporary leave license for no more than four
351.8 consecutive years.

351.9 ~~(c) A licensee qualifies for inactive status when a licensee is granted an emeritus~~
351.10 ~~license. A licensee qualifies for an emeritus license if the licensee demonstrates to the~~
351.11 ~~satisfaction of the board that:~~

351.12 ~~(1) the licensee is retired from social work practice; and~~

351.13 ~~(2) the licensee is not engaged in the practice of social work in any setting, including~~
351.14 ~~settings in which social workers are exempt from licensure according to section 148E.065.~~

351.15 ~~A licensee who possesses an emeritus license may reactivate the license according to~~
351.16 ~~section 148E.080.~~

351.17 (c) A licensee who is granted temporary leave from active practice may reactivate
351.18 the license according to section 148E.080. If a licensee does not apply for reactivation
351.19 within 60 days following the end of the consecutive four-year period, the license
351.20 automatically expires. An individual with an expired license may apply for new licensure
351.21 according to section 148E.055.

351.22 (d) Except as provided in paragraph (e), a licensee who holds a temporary leave
351.23 license must not practice, attempt to practice, offer to practice, or advertise or hold out as
351.24 authorized to practice social work.

351.25 (e) The board may grant a variance to the requirements of paragraph (d) if a licensee
351.26 on temporary leave license provides emergency social work services. A variance is
351.27 granted only if the board provides the variance in writing to the licensee. The board may
351.28 impose conditions or restrictions on the variance.

351.29 (f) In making representations of professional status to the public, when holding a
351.30 temporary leave license, a licensee must state that the license is not active and that the
351.31 licensee cannot practice social work.

351.32 Subd. 1a. **Emeritus inactive license.** (a) A licensee qualifies for an emeritus inactive
351.33 license if the licensee demonstrates to the satisfaction of the board that the licensee is:

351.34 (1) retired from social work practice; and

351.35 (2) not engaged in the practice of social work in any setting, including settings in
351.36 which social workers are exempt from licensure according to section 148E.065.

352.1 (b) A licensee with an emeritus inactive license may apply for reactivation according
352.2 to section 148E.080 only during the four years following the granting of the emeritus
352.3 inactive license. However, after four years following the granting of the emeritus inactive
352.4 license, an individual may apply for new licensure according to section 148E.055.

352.5 (c) Except as provided in paragraph (d), a licensee who holds an emeritus inactive
352.6 license must not practice, attempt to practice, offer to practice, or advertise or hold out as
352.7 authorized to practice social work.

352.8 (d) The board may grant a variance to the requirements of paragraph (c) if a licensee
352.9 on emeritus inactive license provides emergency social work services. A variance is
352.10 granted only if the board provides the variance in writing to the licensee. The board may
352.11 impose conditions or restrictions on the variance.

352.12 (e) In making representations of professional status to the public, when holding
352.13 an emeritus inactive license, a licensee must state that the license is not active and that
352.14 the licensee cannot practice social work.

352.15 Subd. 1b. **Emeritus active license.** (a) A licensee qualifies for an emeritus active
352.16 license if the applicant demonstrates to the satisfaction of the board that the licensee is:

352.17 (1) retired from social work practice; and

352.18 (2) in compliance with the supervised practice requirements, as applicable, under
352.19 sections 148E.100 to 148E.125.

352.20 (b) A licensee who is issued an emeritus active license is only authorized to engage in:

352.21 (1) pro bono or unpaid social work practice as specified in section 148E.010,
352.22 subdivisions 6 and 11; or

352.23 (2) paid social work practice not to exceed 240 clock hours per calendar year, for the
352.24 exclusive purpose to provide licensing supervision as specified in sections 148E.100 to
352.25 148E.125; and

352.26 (3) the authorized scope of practice specified in section 148E.050.

352.27 (c) An emeritus active license must be renewed according to the requirements
352.28 specified in section 148E.070, subdivisions 1, 2, 3, 4, and 5.

352.29 (d) At the time of license renewal a licensee must provide evidence satisfactory to the
352.30 board that the licensee has, during the renewal term, completed 20 clock hours of continuing
352.31 education, including at least two clock hours in ethics, as specified in section 148E.130:

352.32 (1) for licensed independent clinical social workers, at least 12 clock hours must be
352.33 in the clinical content areas specified in section 148E.055, subdivision 5; and

352.34 (2) for social workers providing supervision according to sections 148E.100 to
352.35 148E.125, at least three clock hours must be in the practice of supervision.

353.1 (e) Independent study hours must not consist of more than eight clock hours of
353.2 continuing education per renewal term.

353.3 (f) Failure to renew an active emeritus license on the expiration date will result in an
353.4 expired license as specified in section 148E.070, subdivision 5.

353.5 (g) The board may grant a variance to the requirements of paragraph (b) if a licensee
353.6 holding an emeritus active license provides emergency social work services. A variance is
353.7 granted only if the board provides the variance in writing to the licensee. The board may
353.8 impose conditions or restrictions on the variance.

353.9 (h) In making representations of professional status to the public, when holding an
353.10 emeritus active license, a licensee must state that an emeritus active license authorizes only
353.11 pro bono or unpaid social work practice, or paid social work practice not to exceed 240
353.12 clock hours per calendar year, for the exclusive purpose to provide licensing supervision
353.13 as specified in sections 148E.100 to 148E.125.

353.14 (i) Notwithstanding the time limit and emeritus active license renewal requirements
353.15 specified in this section, a licensee who possesses an emeritus active license may
353.16 reactivate the license according to section 148E.080 or apply for new licensure according
353.17 to section 148E.055.

353.18 Subd. 2. **Application.** A licensee may apply for ~~inactive status~~ temporary leave
353.19 license, emeritus inactive license, or emeritus active license:

353.20 (1) at any time when currently licensed under section 148E.055, 148E.0555,
353.21 148E.0556, or 148E.0557, or when licensed as specified in section 148E.075, by
353.22 submitting an application for a temporary leave from active practice or for an emeritus
353.23 license form required by the board; or

353.24 (2) as an alternative to applying for the renewal of a license by so recording on the
353.25 application for license renewal form required by the board and submitting the completed,
353.26 signed application to the board.

353.27 An application that is not completed or signed, or that is not accompanied by the
353.28 correct fee, must be returned to the applicant, along with any fee submitted, and is void.
353.29 For applications submitted electronically, a "signed application" means providing an
353.30 attestation as specified by the board.

353.31 Subd. 3. **Fee.** (a) Regardless of when the application for ~~inactive status~~ temporary
353.32 leave license or emeritus inactive license is submitted, the temporary leave license or
353.33 emeritus inactive license fee specified in section 148E.180, whichever is applicable, must
353.34 accompany the application. A licensee who is approved for ~~inactive status~~ temporary
353.35 leave license or emeritus inactive license before the license expiration date is not entitled
353.36 to receive a refund for any portion of the license or renewal fee.

354.1 (b) If an application for temporary leave or emeritus active license is received after
354.2 the license expiration date, the licensee must pay a renewal late fee as specified in section
354.3 148E.180 in addition to the temporary leave fee.

354.4 (c) Regardless of when the application for emeritus active license is submitted,
354.5 the emeritus active license fee is one-half of the renewal fee for the applicable license
354.6 specified in section 148E.180, subdivision 3, and must accompany the application. A
354.7 licensee who is approved for emeritus active license before the license expiration date is
354.8 not entitled to receive a refund for any portion of the license or renewal fee.

354.9 ~~Subd. 4. **Time limits for temporary leaves.** A licensee may maintain an inactive~~
354.10 ~~license on temporary leave for no more than five consecutive years. If a licensee does~~
354.11 ~~not apply for reactivation within 60 days following the end of the consecutive five-year~~
354.12 ~~period, the license automatically expires.~~

354.13 ~~Subd. 5. **Time limits for emeritus license.** A licensee with an emeritus license may~~
354.14 ~~not apply for reactivation according to section 148E.080 after five years following the~~
354.15 ~~granting of the emeritus license. However, after five years following the granting of the~~
354.16 ~~emeritus license, an individual may apply for new licensure according to section 148E.055.~~

354.17 ~~Subd. 6. **Prohibition on practice.** (a) Except as provided in paragraph (b), a~~
354.18 ~~licensee whose license is inactive must not practice, attempt to practice, offer to practice,~~
354.19 ~~or advertise or hold out as authorized to practice social work.~~

354.20 ~~(b) The board may grant a variance to the requirements of paragraph (a) if a licensee~~
354.21 ~~on inactive status provides emergency social work services. A variance is granted only~~
354.22 ~~if the board provides the variance in writing to the licensee. The board may impose~~
354.23 ~~conditions or restrictions on the variance.~~

354.24 ~~Subd. 7. **Representations of professional status.** In making representations of~~
354.25 ~~professional status to the public, a licensee whose license is inactive must state that the~~
354.26 ~~license is inactive and that the licensee cannot practice social work.~~

354.27 ~~Subd. 8. **Disciplinary or other action.** The board may resolve any pending~~
354.28 ~~complaints against a licensee before approving an application for inactive status an~~
354.29 ~~alternate license specified in this section. The board may take action according to sections~~
354.30 ~~148E.255 to 148E.270 against a licensee whose license is inactive who is issued an~~
354.31 ~~alternate license specified in this section based on conduct occurring before the license is~~
354.32 ~~inactive or conduct occurring while the license is inactive effective.~~

354.33 Sec. 24. Minnesota Statutes 2014, section 148E.080, subdivision 1, is amended to read:

354.34 Subdivision 1. **Mailing notices to licensees on temporary leave.** The board must
354.35 mail a notice for reactivation to a licensee on temporary leave at least 45 days before the

355.1 expiration date of the license according to section 148E.075, subdivision ~~4~~ 1. Mailing
355.2 the notice by United States mail to the licensee's last known mailing address constitutes
355.3 valid mailing. Failure to receive the reactivation notice does not relieve a licensee of the
355.4 obligation to comply with the provisions of this section to reactivate a license.

355.5 Sec. 25. Minnesota Statutes 2014, section 148E.080, subdivision 2, is amended to read:

355.6 Subd. 2. **Reactivation from a temporary leave or emeritus status.** To reactivate a
355.7 license from a temporary leave or emeritus status, a licensee must do the following within
355.8 the time period specified in section 148E.075, subdivisions ~~4 and 5~~ 1, 1a, and 1b:

355.9 (1) complete an application form specified by the board;

355.10 (2) document compliance with the continuing education requirements specified in
355.11 subdivision 4;

355.12 (3) submit a supervision plan, if required;

355.13 (4) pay the reactivation of ~~an inactive licensee~~ a license fee specified in section
355.14 148E.180; and

355.15 (5) pay the wall certificate fee according to section 148E.095, subdivision 1,
355.16 paragraph (b) or (c), if the licensee needs a duplicate license.

355.17 Sec. 26. Minnesota Statutes 2014, section 148E.180, subdivision 2, is amended to read:

355.18 Subd. 2. **License fees.** License fees are as follows:

355.19 (1) for a licensed social worker, \$81;

355.20 (2) for a licensed graduate social worker, \$144;

355.21 (3) for a licensed independent social worker, \$216;

355.22 (4) for a licensed independent clinical social worker, \$238.50;

355.23 (5) for an emeritus inactive license, \$43.20; ~~and~~

355.24 (6) for an emeritus active license, one-half of the renewal fee specified in subdivision
355.25 3; and

355.26 (7) for a temporary leave fee, the same as the renewal fee specified in subdivision 3.

355.27 If the licensee's initial license term is less or more than 24 months, the required
355.28 license fees must be prorated proportionately.

355.29 Sec. 27. Minnesota Statutes 2014, section 148E.180, subdivision 5, is amended to read:

355.30 Subd. 5. **Late fees.** Late fees are as follows:

355.31 (1) renewal late fee, one-fourth of the renewal fee specified in subdivision 3; ~~and~~

355.32 (2) supervision plan late fee, \$40-; and

356.1 (3) license late fee, \$100 plus the prorated share of the license fee specified in
356.2 subdivision 2 for the number of months during which the individual practiced social
356.3 work without a license.

356.4 Sec. 28. Minnesota Statutes 2014, section 150A.091, subdivision 4, is amended to read:

356.5 Subd. 4. **Annual license fees.** Each limited faculty or resident dentist shall submit
356.6 with an annual license renewal application a fee established by the board not to exceed
356.7 the following amounts:

- 356.8 (1) limited faculty dentist, \$168; and
356.9 (2) resident dentist or dental provider, ~~\$59~~ \$85.

356.10 Sec. 29. Minnesota Statutes 2014, section 150A.091, subdivision 5, is amended to read:

356.11 Subd. 5. **Biennial license or permit fees.** Each of the following applicants shall
356.12 submit with a biennial license or permit renewal application a fee as established by the
356.13 board, not to exceed the following amounts:

- 356.14 (1) dentist or full faculty dentist, ~~\$336~~ \$475;
356.15 (2) dental therapist, ~~\$180~~ \$300;
356.16 (3) dental hygienist, ~~\$118~~ \$200;
356.17 (4) licensed dental assistant, ~~\$80~~ \$150; and
356.18 (5) dental assistant with a permit as described in Minnesota Rules, part 3100.8500,
356.19 subpart 3, \$24.

356.20 Sec. 30. Minnesota Statutes 2014, section 150A.091, subdivision 11, is amended to read:

356.21 Subd. 11. **Certificate application fee for anesthesia/sedation.** Each dentist
356.22 shall submit with a general anesthesia or moderate sedation application ~~or~~ a contracted
356.23 sedation provider application, or biennial renewal, a fee as established by the board not to
356.24 exceed the following amounts:

- 356.25 (1) for both a general anesthesia and moderate sedation application, ~~\$250~~ \$400;
356.26 (2) for a general anesthesia application only, ~~\$250~~ \$400;
356.27 (3) for a moderate sedation application only, ~~\$250~~ \$400; and
356.28 (4) for a contracted sedation provider application, ~~\$250~~ \$400.

356.29 Sec. 31. Minnesota Statutes 2014, section 150A.091, is amended by adding a
356.30 subdivision to read:

357.1 Subd. 17. **Advanced dental therapy examination fee.** Any dental therapist eligible
357.2 to sit for the advanced dental therapy certification examination must submit with the
357.3 application a fee as established by the board, not to exceed \$250.

357.4 Sec. 32. Minnesota Statutes 2014, section 150A.091, is amended by adding a
357.5 subdivision to read:

357.6 Subd. 18. **Corporation or professional firm late fee.** Any corporation or
357.7 professional firm whose annual fee is not postmarked or otherwise received by the board
357.8 by the due date of December 31 shall, in addition to the fee, submit a late fee as established
357.9 by the board, not to exceed \$15.

357.10 Sec. 33. Minnesota Statutes 2014, section 150A.31, is amended to read:

357.11 **150A.31 FEES.**

357.12 (a) The initial biennial registration fee is \$50.

357.13 (b) The biennial renewal registration fee is ~~\$25~~ not to exceed \$80.

357.14 (c) The fees specified in this section are nonrefundable and shall be deposited in
357.15 the state government special revenue fund.

357.16 Sec. 34. Minnesota Statutes 2014, section 151.01, subdivision 15a, is amended to read:

357.17 Subd. 15a. **Pharmacy technician.** "Pharmacy technician" means a person not
357.18 licensed as a pharmacist or registered as a pharmacist intern, who assists the pharmacist
357.19 in the preparation and dispensing of medications by performing computer entry of
357.20 prescription data and other manipulative tasks. A pharmacy technician shall not perform
357.21 tasks specifically reserved to a licensed pharmacist or requiring has been trained in
357.22 pharmacy tasks that do not require the professional judgment of a licensed pharmacist. A
357.23 pharmacy technician may not perform tasks specifically reserved to a licensed pharmacist.

357.24 Sec. 35. Minnesota Statutes 2014, section 151.01, subdivision 27, is amended to read:

357.25 Subd. 27. **Practice of pharmacy.** "Practice of pharmacy" means:

357.26 (1) interpretation and evaluation of prescription drug orders;

357.27 (2) compounding, labeling, and dispensing drugs and devices (except labeling by
357.28 a manufacturer or packager of nonprescription drugs or commercially packaged legend
357.29 drugs and devices);

357.30 (3) participation in clinical interpretations and monitoring of drug therapy for
357.31 assurance of safe and effective use of drugs, including the performance of laboratory tests
357.32 that are waived under the federal Clinical Laboratory Improvement Act of 1988, United

358.1 States Code, title 42, section 263a et seq., provided that a pharmacist may interpret the
358.2 results of laboratory tests but may modify drug therapy only pursuant to a protocol or
358.3 collaborative practice agreement;

358.4 (4) participation in drug and therapeutic device selection; drug administration for first
358.5 dosage and medical emergencies; drug regimen reviews; and drug or drug-related research;

358.6 (5) participation in administration of influenza vaccines to all eligible individuals ~~ten~~
358.7 six years of age and older and all other vaccines to patients ~~18~~ 13 years of age and older
358.8 by written protocol with a physician licensed under chapter 147, a physician assistant
358.9 authorized to prescribe drugs under chapter 147A, or an advanced practice registered
358.10 nurse authorized to prescribe drugs under section 148.235, provided that:

358.11 (i) the protocol includes, at a minimum:

358.12 (A) the name, dose, and route of each vaccine that may be given;

358.13 (B) the patient population for whom the vaccine may be given;

358.14 (C) contraindications and precautions to the vaccine;

358.15 (D) the procedure for handling an adverse reaction;

358.16 (E) the name, signature, and address of the physician, physician assistant, or
358.17 advanced practice registered nurse;

358.18 (F) a telephone number at which the physician, physician assistant, or advanced
358.19 practice registered nurse can be contacted; and

358.20 (G) the date and time period for which the protocol is valid;

358.21 (ii) the pharmacist has successfully completed a program approved by the
358.22 Accreditation Council for Pharmacy Education specifically for the administration of
358.23 immunizations or a program approved by the board;

358.24 (iii) the pharmacist utilizes the Minnesota Immunization Information Connection
358.25 to assess the immunization status of individuals prior to the administration of vaccines,
358.26 except when administering influenza vaccines to individuals age nine and older;

358.27 (iv) the pharmacist reports the administration of the immunization ~~to the patient's~~
358.28 ~~primary physician or clinic~~ or to the Minnesota Immunization Information Connection; and

358.29 ~~(iv)~~ (v) the pharmacist complies with guidelines for vaccines and immunizations
358.30 established by the federal Advisory Committee on Immunization Practices, except that a
358.31 pharmacist does not need to comply with those portions of the guidelines that establish
358.32 immunization schedules when administering a vaccine pursuant to a valid, patient-specific
358.33 order issued by a physician licensed under chapter 147, a physician assistant authorized to
358.34 prescribe drugs under chapter 147A, or an advanced practice nurse authorized to prescribe
358.35 drugs under section 148.235, provided that the order is consistent with the United States
358.36 Food and Drug Administration approved labeling of the vaccine;

- 359.1 (6) participation in the initiation, management, modification, and discontinuation
359.2 of drug therapy according to a written protocol or collaborative practice agreement
359.3 between: (i) one or more pharmacists and one or more dentists, optometrists, physicians,
359.4 podiatrists, or veterinarians; or (ii) one or more pharmacists and one or more physician
359.5 assistants authorized to prescribe, dispense, and administer under chapter 147A, or
359.6 advanced practice nurses authorized to prescribe, dispense, and administer under section
359.7 148.235. Any changes in drug therapy made pursuant to a protocol or collaborative
359.8 practice agreement must be documented by the pharmacist in the patient's medical record
359.9 or reported by the pharmacist to a practitioner responsible for the patient's care;
- 359.10 (7) participation in the storage of drugs and the maintenance of records;
- 359.11 (8) patient counseling on therapeutic values, content, hazards, and uses of drugs
359.12 and devices; and
- 359.13 (9) offering or performing those acts, services, operations, or transactions necessary
359.14 in the conduct, operation, management, and control of a pharmacy.

359.15 Sec. 36. Minnesota Statutes 2014, section 151.02, is amended to read:

359.16 **151.02 STATE BOARD OF PHARMACY.**

359.17 The Minnesota State Board of Pharmacy shall consist of ~~two~~ three public members
359.18 as defined by section 214.02 and ~~five~~ six pharmacists actively engaged in the practice of
359.19 pharmacy in this state. Each of said pharmacists shall have had at least five consecutive
359.20 years of practical experience as a pharmacist immediately preceding appointment.

359.21 Sec. 37. Minnesota Statutes 2014, section 151.065, subdivision 1, is amended to read:

359.22 Subdivision 1. **Application fees.** Application fees for licensure and registration
359.23 are as follows:

- 359.24 (1) pharmacist licensed by examination, ~~\$130~~ \$145;
- 359.25 (2) pharmacist licensed by reciprocity, ~~\$225~~ \$240;
- 359.26 (3) pharmacy intern, ~~\$30~~ \$37.50;
- 359.27 (4) pharmacy technician, ~~\$30~~ \$37.50;
- 359.28 (5) pharmacy, ~~\$190~~ \$225;
- 359.29 (6) drug wholesaler, legend drugs only, ~~\$200~~ \$235;
- 359.30 (7) drug wholesaler, legend and nonlegend drugs, ~~\$200~~ \$235;
- 359.31 (8) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, ~~\$175~~ \$210;
- 359.32 (9) drug wholesaler, medical gases, ~~\$150~~ \$175;
- 359.33 (10) drug wholesaler, also licensed as a pharmacy in Minnesota, ~~\$125~~ \$150;
- 359.34 (11) drug manufacturer, legend drugs only, ~~\$200~~ \$235;

- 360.1 (12) drug manufacturer, legend and nonlegend drugs, ~~\$200~~ \$235;
- 360.2 (13) drug manufacturer, nonlegend or veterinary legend drugs, ~~\$175~~ \$210;
- 360.3 (14) drug manufacturer, medical gases, ~~\$150~~ \$185;
- 360.4 (15) drug manufacturer, also licensed as a pharmacy in Minnesota, ~~\$125~~ \$150;
- 360.5 (16) medical gas distributor, ~~\$75~~ \$110;
- 360.6 (17) controlled substance researcher, ~~\$50~~ \$75; and
- 360.7 (18) pharmacy professional corporation, ~~\$100~~ \$125.

360.8 Sec. 38. Minnesota Statutes 2014, section 151.065, subdivision 2, is amended to read:

360.9 Subd. 2. **Original license fee.** The pharmacist original licensure fee, ~~\$130~~ \$145.

360.10 Sec. 39. Minnesota Statutes 2014, section 151.065, subdivision 3, is amended to read:

360.11 Subd. 3. **Annual renewal fees.** Annual licensure and registration renewal fees
360.12 are as follows:

- 360.13 (1) pharmacist, ~~\$130~~ \$145;
- 360.14 (2) pharmacy technician, ~~\$30~~ \$37.50;
- 360.15 (3) pharmacy, ~~\$190~~ \$225;
- 360.16 (4) drug wholesaler, legend drugs only, ~~\$200~~ \$235;
- 360.17 (5) drug wholesaler, legend and nonlegend drugs, ~~\$200~~ \$235;
- 360.18 (6) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, ~~\$175~~ \$210;
- 360.19 (7) drug wholesaler, medical gases, ~~\$150~~ \$185;
- 360.20 (8) drug wholesaler, also licensed as a pharmacy in Minnesota, ~~\$125~~ \$150;
- 360.21 (9) drug manufacturer, legend drugs only, ~~\$200~~ \$235;
- 360.22 (10) drug manufacturer, legend and nonlegend drugs, ~~\$200~~ \$235;
- 360.23 (11) drug manufacturer, nonlegend, veterinary legend drugs, or both, ~~\$175~~ \$210;
- 360.24 (12) drug manufacturer, medical gases, ~~\$150~~ \$185;
- 360.25 (13) drug manufacturer, also licensed as a pharmacy in Minnesota, ~~\$125~~ \$150;
- 360.26 (14) medical gas distributor, ~~\$75~~ \$110;
- 360.27 (15) controlled substance researcher, ~~\$50~~ \$75; and
- 360.28 (16) pharmacy professional corporation, ~~\$45~~ \$75.

360.29 Sec. 40. Minnesota Statutes 2014, section 151.065, subdivision 4, is amended to read:

360.30 Subd. 4. **Miscellaneous fees.** Fees for issuance of affidavits and duplicate licenses
360.31 and certificates are as follows:

- 360.32 (1) intern affidavit, ~~\$15~~ \$20;
- 360.33 (2) duplicate small license, ~~\$15~~ \$20; and

361.1 (3) duplicate large certificate, ~~\$25~~ \$30.

361.2 Sec. 41. Minnesota Statutes 2014, section 151.102, is amended to read:

361.3 **151.102 PHARMACY TECHNICIAN.**

361.4 Subdivision 1. **General.** A pharmacy technician may assist a pharmacist in the
361.5 practice of pharmacy by performing ~~nonjudgmental~~ tasks and that are not reserved to, and
361.6 do not require the professional judgment of, a licensed pharmacist. A pharmacy technician
361.7 works under the personal and direct supervision of the pharmacist. A pharmacist may
361.8 supervise ~~two~~ up to three technicians, ~~as long as the.~~ A pharmacist assumes responsibility
361.9 is responsible for all the functions work performed by the technicians who are under the
361.10 supervision of the pharmacist. A pharmacy may exceed the ratio of pharmacy technicians
361.11 to pharmacists permitted in this subdivision or in rule by a total of one technician at
361.12 any given time in the pharmacy, provided at least one technician in the pharmacy
361.13 holds a valid certification from the Pharmacy Technician Certification Board or from
361.14 another national certification body for pharmacy technicians that requires passage of a
361.15 nationally recognized, psychometrically valid certification examination for certification as
361.16 determined by the Board of Pharmacy. The Board of Pharmacy may, by rule, set ratios of
361.17 technicians to pharmacists greater than ~~two~~ three to one for the functions specified in rule.
361.18 ~~The delegation of any duties, tasks, or functions by a pharmacist to a pharmacy technician~~
361.19 ~~is subject to continuing review and becomes the professional and personal responsibility of~~
361.20 ~~the pharmacist who directed the pharmacy technician to perform the duty, task, or function.~~

361.21 Subd. 2. **Waivers by board permitted.** A pharmacist in charge in a pharmacy may
361.22 petition the board for authorization to allow a pharmacist to supervise more than ~~two~~ three
361.23 pharmacy technicians. The pharmacist's petition must include provisions addressing ~~the~~
361.24 ~~maintenance of~~ how patient care and safety will be maintained. A petition filed with the
361.25 board under this subdivision shall be deemed approved 90 days after the board receives
361.26 the petition, unless the board denies the petition within 90 days of receipt and notifies the
361.27 petitioning pharmacist of the petition's denial and the board's reasons for denial.

361.28 Subd. 3. **Registration fee.** The board shall not register an individual as a pharmacy
361.29 technician unless all applicable fees specified in section 151.065 have been paid.

361.30 Sec. 42. Minnesota Statutes 2014, section 214.077, is amended to read:

361.31 **214.077 TEMPORARY LICENSE SUSPENSION; IMMINENT RISK OF**
361.32 **SERIOUS HARM.**

361.33 (a) Notwithstanding any provision of a health-related professional practice act,
361.34 when a health-related licensing board receives a complaint regarding a regulated person

362.1 and has probable cause to believe that the regulated person has violated a statute or rule
362.2 that the health-related licensing board is empowered to enforce, and continued practice
362.3 by the regulated person presents an imminent risk of serious harm, the health-related
362.4 licensing board shall issue an order temporarily suspend ~~suspending~~ the regulated person's
362.5 professional license authority to practice. The temporary suspension order shall take
362.6 effect upon written notice to the regulated person and shall specify the reason for the
362.7 suspension, including the statute or rule alleged to have been violated. The temporary
362.8 suspension order shall take effect upon personal service on the regulated person or the
362.9 regulated person's attorney, or upon the third calendar day after the order is served by first
362.10 class mail to the most recent address provided to the health-related licensing board for the
362.11 regulated person or the regulated person's attorney.

362.12 (b) The temporary suspension shall remain in effect until the appropriate
362.13 health-related licensing board or the commissioner ~~completes an investigation, holds a~~
362.14 contested case hearing pursuant to the Administrative Procedure Act, and issues a final
362.15 order in the matter after a hearing as provided for in this section.

362.16 (c) At the time it issues the temporary suspension notice order, the appropriate
362.17 health-related licensing board shall schedule a disciplinary contested case hearing, on the
362.18 merits of whether discipline is warranted, to be held before the licensing board or pursuant
362.19 to the Administrative Procedure Act. The regulated person shall be provided with at least
362.20 ten days' notice of any contested case hearing held pursuant to this section. The contested
362.21 case hearing shall be scheduled to begin no later than 30 days after issuance the effective
362.22 service of the temporary suspension order.

362.23 (d) The administrative law judge presiding over the contested case hearing shall
362.24 issue a report and recommendation to the health-related licensing board no later than 30
362.25 days after the final day of the contested case hearing. The health-related licensing board
362.26 shall issue a final order pursuant to sections 14.61 and 14.62 within 30 days of receipt
362.27 of the administrative law judge's report and recommendations. Except as provided in
362.28 paragraph (e), if the health-related licensing board has not issued a final order pursuant to
362.29 sections 14.61 and 14.62 within 30 days of receipt of the administrative law judge's report
362.30 and recommendations, the temporary suspension shall be lifted.

362.31 ~~(d) (e) If the board has not completed its investigation and issued a final order within~~
362.32 ~~30 days, the temporary suspension shall be lifted, unless the regulated person requests a~~
362.33 ~~delay in the disciplinary proceedings for any reason, upon which the temporary suspension~~
362.34 ~~shall remain in place until the completion of the investigation. the regulated person~~
362.35 requests a delay in the contested case proceedings provided for in paragraphs (c) and (d)

363.1 for any reason, the temporary suspension shall remain in effect until the health-related
363.2 licensing board issues a final order pursuant to sections 14.61 and 14.62.

363.3 (f) For the purposes of this section, "health-related licensing board" does not include
363.4 the Office of Unlicensed Complementary and Alternative Health Practices.

363.5 Sec. 43. Minnesota Statutes 2014, section 214.10, subdivision 2, is amended to read:

363.6 Subd. 2. **Investigation and hearing.** The designee of the attorney general providing
363.7 legal services to a board shall evaluate the communications forwarded by the board or its
363.8 members or staff. If the communication alleges a violation of statute or rule which the
363.9 board is to enforce, the designee is empowered to investigate the facts alleged in the
363.10 communication. In the process of evaluation and investigation, the designee shall consult
363.11 with or seek the assistance of the executive director, executive secretary, or, if the board
363.12 determines, a member of the board who has been appointed by the board to assist the
363.13 designee. The designee may also consult with or seek the assistance of any other qualified
363.14 persons who are not members of the board who the designee believes will materially aid
363.15 in the process of evaluation or investigation. The executive director, executive secretary,
363.16 or the consulted board member may attempt to correct improper activities and redress
363.17 grievances through education, conference, conciliation and persuasion, and in these
363.18 attempts may be assisted by the designee of the attorney general. If the attempts at
363.19 correction or redress do not produce satisfactory results in the opinion of the executive
363.20 director, executive secretary, or the consulted board member, or if after investigation the
363.21 designee providing legal services to the board, the executive director, executive secretary,
363.22 or the consulted board member believes that the communication and the investigation
363.23 suggest illegal or unauthorized activities warranting board action, the person having the
363.24 belief shall inform the executive director or executive secretary of the board who shall
363.25 schedule a disciplinary contested case hearing in accordance with chapter 14. Before
363.26 directing the holding of a disciplinary contested case hearing, the executive director,
363.27 executive secretary, or the designee of the attorney general shall have considered the
363.28 recommendations of the consulted board member. Before scheduling a disciplinary
363.29 contested case hearing, the executive director or executive secretary must have received
363.30 a verified written complaint from the complaining party. A board member who was
363.31 consulted during the course of an investigation may participate at the hearing but may not
363.32 vote on any matter pertaining to the case. The executive director or executive secretary
363.33 of the board shall promptly inform the complaining party of the final disposition of the
363.34 complaint. Nothing in this section shall preclude the board from scheduling, on its own
363.35 motion, a disciplinary contested case hearing based upon the findings or report of the

364.1 board's executive director or executive secretary, a board member or the designee of the
364.2 attorney general assigned to the board. Nothing in this section shall preclude a member of
364.3 the board, executive director, or executive secretary from initiating a complaint.

364.4 Sec. 44. Minnesota Statutes 2014, section 214.10, subdivision 2a, is amended to read:

364.5 Subd. 2a. **Proceedings.** A board shall initiate proceedings to suspend or revoke
364.6 a license or shall refuse to renew a license of a person licensed by the board who is
364.7 convicted in a court of competent jurisdiction of violating section ~~609.224, subdivision 2,~~
364.8 ~~paragraph (e) 609.2231, subdivision 8,~~ 609.23, 609.231, 609.2325, 609.233, 609.2335,
364.9 609.234, 609.465, 609.466, ~~609.52,~~ or 609.72, subdivision 3.

364.10 Sec. 45. Minnesota Statutes 2014, section 214.32, subdivision 6, is amended to read:

364.11 Subd. 6. **Duties of a participating board.** Upon receiving a report from the
364.12 program manager in accordance with section 214.33, subdivision 3, ~~that a regulated~~
364.13 ~~person has been discharged from the program due to noncompliance based on allegations~~
364.14 ~~that the regulated person has engaged in conduct that might cause risk to the public,~~
364.15 ~~when and if the participating health-related licensing board has probable cause to believe~~
364.16 ~~continued practice by the regulated person presents an imminent risk of serious harm, the~~
364.17 ~~health-related licensing board shall temporarily suspend the regulated person's professional~~
364.18 ~~license until the completion of a disciplinary investigation. The board must complete the~~
364.19 ~~disciplinary investigation within 30 days of receipt of the report from the program. If the~~
364.20 ~~investigation is not completed by the board within 30 days, the temporary suspension shall~~
364.21 ~~be lifted, unless the regulated person requests a delay in the disciplinary proceedings~~
364.22 ~~for any reason, upon which the temporary suspension shall remain in place until the~~
364.23 ~~completion of the investigation proceed pursuant to the requirements in section 214.077.~~

364.24 Sec. 46. **REPEALER.**

364.25 Minnesota Statutes 2014, sections 148.57, subdivisions 3 and 4; 148.571; 148.572;
364.26 148.573, subdivision 1; 148.575, subdivisions 1, 3, 5, and 6; 148.576; 148E.060,
364.27 subdivision 12; 148E.075, subdivisions 4, 5, 6, and 7; and 214.105, are repealed.

364.28 ARTICLE 12

364.29 PUBLIC ASSISTANCE SIMPLIFICATION

364.30 Section 1. Minnesota Statutes 2014, section 119B.011, subdivision 15, is amended to
364.31 read:

365.1 Subd. 15. **Income.** "Income" means earned ~~or unearned~~ income received by all
365.2 family members, ~~including~~ as defined under section 256P.01, subdivision 3, unearned
365.3 income as defined under section 256P.01, subdivision 8, and public assistance cash benefits
365.4 ~~and, including the Minnesota family investment program, diversionary work program,~~
365.5 work benefit, Minnesota supplemental aid, general assistance, refugee cash assistance,
365.6 at-home infant child care subsidy payments, unless specifically excluded and child support
365.7 and maintenance distributed to the family under section 256.741, subdivision 15. The
365.8 following are excluded deducted from income: funds used to pay for health insurance
365.9 premiums for family members, ~~Supplemental Security Income, scholarships, work-study~~
365.10 ~~income, and grants that cover costs or reimbursement for tuition, fees, books, and~~
365.11 ~~educational supplies; student loans for tuition, fees, books, supplies, and living expenses;~~
365.12 ~~state and federal earned income tax credits; assistance specifically excluded as income by~~
365.13 ~~law; in-kind income such as food support, energy assistance, foster care assistance, medical~~
365.14 ~~assistance, child care assistance, and housing subsidies; earned income of full-time or~~
365.15 ~~part-time students up to the age of 19, who have not earned a high school diploma or GED~~
365.16 ~~high school equivalency diploma including earnings from summer employment; grant~~
365.17 ~~awards under the family subsidy program; nonrecurring lump-sum income only to the~~
365.18 ~~extent that it is earmarked and used for the purpose for which it is paid; and any income~~
365.19 ~~assigned to the public authority according to section 256.741~~ and child or spousal support
365.20 paid to or on behalf of a person or persons who live outside of the household. Income
365.21 sources not included in this subdivision and section 256P.06, subdivision 3, are not counted.

365.22 Sec. 2. Minnesota Statutes 2014, section 119B.025, subdivision 1, is amended to read:

365.23 Subdivision 1. **Factors which must be verified.** (a) The county shall verify the
365.24 following at all initial child care applications using the universal application:

365.25 (1) identity of adults;

365.26 (2) presence of the minor child in the home, if questionable;

365.27 (3) relationship of minor child to the parent, stepparent, legal guardian, eligible
365.28 relative caretaker, or the spouses of any of the foregoing;

365.29 (4) age;

365.30 (5) immigration status, if related to eligibility;

365.31 (6) Social Security number, if given;

365.32 (7) income;

365.33 (8) spousal support and child support payments made to persons outside the
365.34 household;

365.35 (9) residence; and

366.1 (10) inconsistent information, if related to eligibility.

366.2 (b) If a family did not use the universal application or child care addendum to apply
366.3 for child care assistance, the family must complete the universal application or child care
366.4 addendum at its next eligibility redetermination and the county must verify the factors
366.5 listed in paragraph (a) as part of that redetermination. Once a family has completed a
366.6 universal application or child care addendum, the county shall use the redetermination
366.7 form described in paragraph (c) for that family's subsequent redeterminations. Eligibility
366.8 must be redetermined at least every six months. A family is considered to have met the
366.9 eligibility redetermination requirement if a complete redetermination form and all required
366.10 verifications are received within 30 days after the date the form was due. Assistance shall
366.11 be payable retroactively from the redetermination due date. For a family where at least
366.12 one parent is under the age of 21, does not have a high school or general equivalency
366.13 diploma, and is a student in a school district or another similar program that provides or
366.14 arranges for child care, as well as parenting, social services, career and employment
366.15 supports, and academic support to achieve high school graduation, the redetermination of
366.16 eligibility shall be deferred beyond six months, but not to exceed 12 months, to the end of
366.17 the student's school year. If a family reports a change in an eligibility factor before the
366.18 family's next regularly scheduled redetermination, the county must recalculate eligibility
366.19 without requiring verification of any eligibility factor that did not change. Changes must
366.20 be reported as required by section 256P.07. A change in income occurs on the day the
366.21 participant received the first payment reflecting the change in income.

366.22 (c) The commissioner shall develop a redetermination form to redetermine eligibility
366.23 and a change report form to report changes that minimize paperwork for the county and
366.24 the participant.

366.25 Sec. 3. Minnesota Statutes 2014, section 119B.035, subdivision 4, is amended to read:

366.26 Subd. 4. **Assistance.** (a) A family is limited to a lifetime total of 12 months of
366.27 assistance under subdivision 2. The maximum rate of assistance is equal to 68 percent
366.28 of the rate established under section 119B.13 for care of infants in licensed family child
366.29 care in the applicant's county of residence.

366.30 (b) A participating family must report income and other family changes as specified in
366.31 sections 256P.06 and 256P.07, and the county's plan under section 119B.08, subdivision 3.

366.32 (c) Persons who are admitted to the at-home infant child care program retain their
366.33 position in any basic sliding fee program. Persons leaving the at-home infant child care
366.34 program reenter the basic sliding fee program at the position they would have occupied.

367.1 (d) Assistance under this section does not establish an employer-employee
367.2 relationship between any member of the assisted family and the county or state.

367.3 Sec. 4. Minnesota Statutes 2014, section 119B.09, subdivision 4, is amended to read:

367.4 Subd. 4. **Eligibility; annual income; calculation.** Annual income of the applicant
367.5 family is the current monthly income of the family multiplied by 12 or the income for
367.6 the 12-month period immediately preceding the date of application, or income calculated
367.7 by the method which provides the most accurate assessment of income available to the
367.8 family. Self-employment income must be calculated based on gross receipts less operating
367.9 expenses. Income must be recalculated when the family's income changes, but no less
367.10 often than every six months. For a family where at least one parent is under the age of
367.11 21, does not have a high school or general equivalency diploma, and is a student in a
367.12 school district or another similar program that provides or arranges for child care, as well
367.13 as parenting, social services, career and employment supports, and academic support to
367.14 achieve high school graduation, income must be recalculated when the family's income
367.15 changes, but otherwise shall be deferred beyond six months, but not to exceed 12 months,
367.16 to the end of the student's school year. Included lump sums counted as income under
367.17 section 256P.06, subdivision 3, must be annualized over 12 months. Income must be
367.18 verified with documentary evidence. If the applicant does not have sufficient evidence of
367.19 income, verification must be obtained from the source of the income.

367.20 Sec. 5. Minnesota Statutes 2014, section 256D.01, subdivision 1a, is amended to read:

367.21 Subd. 1a. **Standards.** (a) A principal objective in providing general assistance is
367.22 to provide for single adults, childless couples, or children as defined in section 256D.02,
367.23 subdivision 6, ineligible for federal programs who are unable to provide for themselves.
367.24 The minimum standard of assistance determines the total amount of the general assistance
367.25 grant without separate standards for shelter, utilities, or other needs.

367.26 (b) The commissioner shall set the standard of assistance for an assistance unit
367.27 consisting of an adult recipient who is childless and unmarried or living apart from
367.28 children and spouse and who does not live with a parent or parents or a legal custodian.
367.29 When the other standards specified in this subdivision increase, this standard must also be
367.30 increased by the same percentage.

367.31 (c) For an assistance unit consisting of a single adult who lives with a parent or
367.32 parents, the general assistance standard of assistance is the amount that the aid to families
367.33 with dependent children standard of assistance, in effect on July 16, 1996, would increase
367.34 if the recipient were added as an additional minor child to an assistance unit consisting

368.1 of the recipient's parent and all of that parent's family members, except that the standard
368.2 may not exceed the standard for a general assistance recipient living alone. Benefits
368.3 received by a responsible relative of the assistance unit under the Supplemental Security
368.4 Income program, a workers' compensation program, the Minnesota supplemental aid
368.5 program, or any other program based on the responsible relative's disability, and any
368.6 benefits received by a responsible relative of the assistance unit under the Social Security
368.7 retirement program, may not be counted in the determination of eligibility or benefit
368.8 level for the assistance unit. Except as provided below, the assistance unit is ineligible
368.9 for general assistance if the available resources or the countable income of the assistance
368.10 unit and the parent or parents with whom the assistance unit lives are such that a family
368.11 consisting of the assistance unit's parent or parents, the parent or parents' other family
368.12 members and the assistance unit as the only or additional minor child would be financially
368.13 ineligible for general assistance. For the purposes of calculating the countable income
368.14 of the assistance unit's parent or parents, the calculation methods, ~~income deductions,~~
368.15 ~~exclusions, and disregards used when calculating the countable income for a single adult~~
368.16 ~~or childless couple~~ must be used follow the provisions under section 256P.06.

368.17 (d) For an assistance unit consisting of a childless couple, the standards of assistance
368.18 are the same as the first and second adult standards of the aid to families with dependent
368.19 children program in effect on July 16, 1996. If one member of the couple is not included
368.20 in the general assistance grant, the standard of assistance for the other is the second adult
368.21 standard of the aid to families with dependent children program as of July 16, 1996.

368.22 Sec. 6. Minnesota Statutes 2014, section 256D.02, is amended by adding a subdivision
368.23 to read:

368.24 Subd. 1a. **Assistance unit.** "Assistance unit" means an individual who is, or an
368.25 eligible married couple who live together who are, applying for or receiving benefits
368.26 under this chapter.

368.27 Sec. 7. Minnesota Statutes 2014, section 256D.02, is amended by adding a subdivision
368.28 to read:

368.29 Subd. 1b. **Cash assistance benefit.** "Cash assistance benefit" means any payment
368.30 received as a disability benefit, including veterans or workers' compensation; old age,
368.31 survivors, and disability insurance; railroad retirement benefits; unemployment benefits;
368.32 and benefits under any federally aided categorical assistance program, Supplemental
368.33 Security Income, or other assistance program.

369.1 Sec. 8. Minnesota Statutes 2014, section 256D.02, subdivision 8, is amended to read:

369.2 Subd. 8. **Income.** "Income" means ~~any form of income, including remuneration~~
369.3 ~~for services performed as an employee and earned income from rental income and~~
369.4 ~~self-employment earnings as described under section 256P.05~~ earned income as defined
369.5 under section 256P.01, subdivision 3, and unearned income as defined under section
369.6 256P.01, subdivision 8.

369.7 ~~Income includes any payments received as an annuity, retirement, or disability~~
369.8 ~~benefit, including veteran's or workers' compensation; old age, survivors, and disability~~
369.9 ~~insurance; railroad retirement benefits; unemployment benefits; and benefits under any~~
369.10 ~~federally aided categorical assistance program, supplementary security income, or other~~
369.11 ~~assistance program; rents, dividends, interest and royalties; and support and maintenance~~
369.12 ~~payments. Such payments may not be considered as available to meet the needs of any~~
369.13 ~~person other than the person for whose benefit they are received, unless that person is~~
369.14 ~~a family member or a spouse and the income is not excluded under section 256D.01,~~
369.15 ~~subdivision 1a. Goods and services provided in lieu of cash payment shall be excluded~~
369.16 ~~from the definition of income, except that payments made for room, board, tuition or~~
369.17 ~~fees by a parent, on behalf of a child enrolled as a full-time student in a postsecondary~~
369.18 ~~institution, and payments made on behalf of an applicant or participant which the applicant~~
369.19 ~~or participant could legally demand to receive personally in cash, must be included as~~
369.20 ~~income. Benefits of an applicant or participant, such as those administered by the Social~~
369.21 ~~Security Administration, that are paid to a representative payee, and are spent on behalf of~~
369.22 ~~the applicant or participant, are considered available income of the applicant or participant.~~

369.23 Sec. 9. Minnesota Statutes 2014, section 256D.06, subdivision 1, is amended to read:

369.24 Subdivision 1. **Eligibility; amount of assistance.** General assistance shall be
369.25 granted in an amount that when added to the ~~nonexempt~~ countable income as determined
369.26 to be actually available to the assistance unit under section 256P.06, the total amount
369.27 equals the applicable standard of assistance for general assistance. In determining
369.28 eligibility for and the amount of assistance for an individual or married couple, the agency
369.29 shall apply the earned income disregard as determined in section 256P.03.

369.30 Sec. 10. Minnesota Statutes 2014, section 256D.405, subdivision 3, is amended to read:

369.31 Subd. 3. **Reports.** Participants must report changes in circumstances according to
369.32 section 256P.07 that affect eligibility or assistance payment amounts within ten days of the
369.33 change. Participants who do not receive SSI because of excess income must complete a
369.34 monthly report form if they have earned income, if they have income deemed to them

370.1 from a financially responsible relative with whom the participant resides, or if they have
370.2 income deemed to them by a sponsor. If the report form is not received before the end of
370.3 the month in which it is due, the county agency must terminate assistance. The termination
370.4 shall be effective on the first day of the month following the month in which the report
370.5 was due. If a complete report is received within the month the assistance was terminated,
370.6 the assistance unit is considered to have continued its application for assistance, effective
370.7 the first day of the month the assistance was terminated.

370.8 Sec. 11. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision
370.9 to read:

370.10 Subd. 1b. **Assistance unit.** "Assistance unit" means an individual who is applying
370.11 for or receiving benefits under this chapter.

370.12 Sec. 12. Minnesota Statutes 2014, section 256I.03, subdivision 7, is amended to read:

370.13 Subd. 7. **Countable income.** "Countable income" means all income received by an
370.14 applicant or recipient as described under section 256P.06, less any applicable exclusions
370.15 or disregards. For a recipient of any cash benefit from the SSI program, countable income
370.16 means the SSI benefit limit in effect at the time the person is in a GRH, less the medical
370.17 assistance personal needs allowance. If the SSI limit has been reduced for a person due to
370.18 events occurring prior to the persons entering the GRH setting, countable income means
370.19 actual income less any applicable exclusions and disregards.

370.20 Sec. 13. Minnesota Statutes 2014, section 256I.04, subdivision 1, is amended to read:

370.21 Subdivision 1. **Individual eligibility requirements.** An individual is eligible for
370.22 and entitled to a group residential housing payment to be made on the individual's behalf
370.23 if the agency has approved the individual's residence in a group residential housing setting
370.24 and the individual meets the requirements in paragraph (a) or (b).

370.25 (a) The individual is aged, blind, or is over 18 years of age and disabled as
370.26 determined under the criteria used by the title II program of the Social Security Act, and
370.27 meets the resource restrictions and standards of section 256P.02, and the individual's
370.28 countable income after deducting the (1) exclusions and disregards of the SSI program,
370.29 (2) the medical assistance personal needs allowance under section 256B.35, and (3) an
370.30 amount equal to the income actually made available to a community spouse by an elderly
370.31 waiver participant under the provisions of sections 256B.0575, paragraph (a), clause
370.32 (4), and 256B.058, subdivision 2, is less than the monthly rate specified in the agency's
370.33 agreement with the provider of group residential housing in which the individual resides.

371.1 (b) The individual meets a category of eligibility under section 256D.05, subdivision
371.2 1, paragraph (a), and the individual's resources are less than the standards specified by
371.3 section 256P.02, and the individual's countable income as determined under sections
371.4 ~~256D.01 to 256D.21~~ section 256P.06, less the medical assistance personal needs allowance
371.5 under section 256B.35 is less than the monthly rate specified in the agency's agreement
371.6 with the provider of group residential housing in which the individual resides.

371.7 Sec. 14. Minnesota Statutes 2014, section 256I.06, subdivision 6, is amended to read:

371.8 Subd. 6. **Reports.** Recipients must report changes in circumstances according
371.9 to section 256P.07 that affect eligibility or group residential housing payment amounts
371.10 within ten days of the change. Recipients with countable earned income must complete
371.11 a monthly household report form. If the report form is not received before the end of
371.12 the month in which it is due, the county agency must terminate eligibility for group
371.13 residential housing payments. The termination shall be effective on the first day of the
371.14 month following the month in which the report was due. If a complete report is received
371.15 within the month eligibility was terminated, the individual is considered to have continued
371.16 an application for group residential housing payment effective the first day of the month
371.17 the eligibility was terminated.

371.18 Sec. 15. Minnesota Statutes 2014, section 256J.08, subdivision 26, is amended to read:

371.19 Subd. 26. **Earned income.** "Earned income" ~~means cash or in-kind income earned~~
371.20 ~~through the receipt of wages, salary, commissions, profit from employment activities, net~~
371.21 ~~profit from self-employment activities, payments made by an employer for regularly~~
371.22 ~~accrued vacation or sick leave, and any other profit from activity earned through effort or~~
371.23 ~~labor. The income must be in return for, or as a result of, legal activity~~ has the meaning
371.24 given in section 256P.01, subdivision 3.

371.25 Sec. 16. Minnesota Statutes 2014, section 256J.08, subdivision 86, is amended to read:

371.26 Subd. 86. **Unearned income.** "Unearned income" ~~means income received by~~
371.27 ~~a person that does not meet the definition of earned income. Unearned income includes~~
371.28 ~~income from a contract for deed, interest, dividends, unemployment benefits, disability~~
371.29 ~~insurance payments, veterans benefits, pension payments, return on capital investment,~~
371.30 ~~insurance payments or settlements, severance payments, child support and maintenance~~
371.31 ~~payments, and payments for illness or disability whether the premium payments are~~
371.32 ~~made in whole or in part by an employer or participant~~ has the meaning given in section
371.33 256P.01, subdivision 8.

372.1 Sec. 17. Minnesota Statutes 2014, section 256J.30, subdivision 1, is amended to read:

372.2 Subdivision 1. **Applicant reporting requirements.** An applicant must provide
372.3 information on an application form and supplemental forms about the applicant's
372.4 circumstances ~~which affect MFIP eligibility or the assistance payment. An applicant must~~
372.5 ~~report changes identified in subdivision 9 while the application is pending. When an~~
372.6 ~~applicant does not accurately report information on an application, both an overpayment~~
372.7 ~~and a referral for a fraud investigation may result. When an applicant does not provide~~
372.8 ~~information or documentation, the receipt of the assistance payment may be delayed or the~~
372.9 ~~application may be denied depending on the type of information required and its effect on~~
372.10 ~~eligibility according to section 256P.07.~~

372.11 Sec. 18. Minnesota Statutes 2014, section 256J.30, subdivision 9, is amended to read:

372.12 Subd. 9. **Changes that must be reported.** A caregiver must report ~~the changes or~~
372.13 ~~anticipated changes specified in clauses (1) to (15) within ten days of the date they occur,~~
372.14 ~~at the time of the periodic recertification of eligibility under section 256P.04, subdivisions~~
372.15 ~~8 and 9, or within eight calendar days of a reporting period as in subdivision 5, whichever~~
372.16 ~~occurs first. A caregiver must report other changes at the time of the periodic recertification~~
372.17 ~~of eligibility under section 256P.04, subdivisions 8 and 9, or at the end of a reporting period~~
372.18 ~~under subdivision 5, as applicable. A caregiver must make these reports in writing to the~~
372.19 ~~agency. When an agency could have reduced or terminated assistance for one or more~~
372.20 ~~payment months if a delay in reporting a change specified under clauses (1) to (14) had~~
372.21 ~~not occurred, the agency must determine whether a timely notice under section 256J.31,~~
372.22 ~~subdivision 4, could have been issued on the day that the change occurred. When a timely~~
372.23 ~~notice could have been issued, each month's overpayment subsequent to that notice must be~~
372.24 ~~considered a client error overpayment under section 256J.38. Calculation of overpayments~~
372.25 ~~for late reporting under clause (15) is specified in section 256J.09, subdivision 9. Changes~~
372.26 ~~in circumstances which must be reported within ten days must also be reported on the~~
372.27 ~~MFIP household report form for the reporting period in which those changes occurred.~~
372.28 ~~Within ten days, a caregiver must report: changes as specified under section 256P.07.~~

372.29 (1) a change in initial employment;

372.30 (2) a change in initial receipt of unearned income;

372.31 (3) a recurring change in unearned income;

372.32 (4) a nonrecurring change of unearned income that exceeds \$30;

372.33 (5) the receipt of a lump sum;

372.34 (6) an increase in assets that may cause the assistance unit to exceed asset limits;

- 373.1 ~~(7) a change in the physical or mental status of an incapacitated member of the~~
373.2 ~~assistance unit if the physical or mental status is the basis for reducing the hourly~~
373.3 ~~participation requirements under section 256J.55, subdivision 1, or the type of activities~~
373.4 ~~included in an employment plan under section 256J.521, subdivision 2;~~
373.5 ~~(8) a change in employment status;~~
373.6 ~~(9) the marriage or divorce of an assistance unit member;~~
373.7 ~~(10) the death of a parent, minor child, or financially responsible person;~~
373.8 ~~(11) a change in address or living quarters of the assistance unit;~~
373.9 ~~(12) the sale, purchase, or other transfer of property;~~
373.10 ~~(13) a change in school attendance of a caregiver under age 20 or an employed child;~~
373.11 ~~(14) filing a lawsuit, a workers' compensation claim, or a monetary claim against a~~
373.12 ~~third party; and~~
373.13 ~~(15) a change in household composition, including births, returns to and departures~~
373.14 ~~from the home of assistance unit members and financially responsible persons, or a change~~
373.15 ~~in the custody of a minor child.~~

373.16 Sec. 19. Minnesota Statutes 2014, section 256J.35, is amended to read:

373.17 **256J.35 AMOUNT OF ASSISTANCE PAYMENT.**

373.18 Except as provided in paragraphs (a) to (d), the amount of an assistance payment is
373.19 equal to the difference between the MFIP standard of need or the Minnesota family wage
373.20 level in section 256J.24 and countable income.

373.21 (a) Beginning July 1, 2015, MFIP assistance units are eligible for an MFIP housing
373.22 assistance grant of \$110 per month, unless:

373.23 (1) the housing assistance unit is currently receiving public and assisted rental
373.24 subsidies provided through the Department of Housing and Urban Development (HUD)
373.25 and is subject to section 256J.37, subdivision 3a; or

373.26 (2) the assistance unit is a child-only case under section 256J.88.

373.27 (b) When MFIP eligibility exists for the month of application, the amount of the
373.28 assistance payment for the month of application must be prorated from the date of
373.29 application or the date all other eligibility factors are met for that applicant, whichever is
373.30 later. This provision applies when an applicant loses at least one day of MFIP eligibility.

373.31 (c) MFIP overpayments to an assistance unit must be recouped according to section
373.32 ~~256J.38, subdivision 4~~ 256P.08, subdivision 6.

373.33 (d) An initial assistance payment must not be made to an applicant who is not
373.34 eligible on the date payment is made.

374.1 Sec. 20. Minnesota Statutes 2014, section 256J.40, is amended to read:

374.2 **256J.40 FAIR HEARINGS.**

374.3 Caregivers receiving a notice of intent to sanction or a notice of adverse action that
374.4 includes a sanction, reduction in benefits, suspension of benefits, denial of benefits, or
374.5 termination of benefits may request a fair hearing. A request for a fair hearing must be
374.6 submitted in writing to the county agency or to the commissioner and must be mailed
374.7 within 30 days after a participant or former participant receives written notice of the
374.8 agency's action or within 90 days when a participant or former participant shows good
374.9 cause for not submitting the request within 30 days. A former participant who receives a
374.10 notice of adverse action due to an overpayment may appeal the adverse action according
374.11 to the requirements in this section. Issues that may be appealed are:

374.12 (1) the amount of the assistance payment;

374.13 (2) a suspension, reduction, denial, or termination of assistance;

374.14 (3) the basis for an overpayment, the calculated amount of an overpayment, and
374.15 the level of recoupment;

374.16 (4) the eligibility for an assistance payment; and

374.17 (5) the use of protective or vendor payments under section 256J.39, subdivision 2,
374.18 clauses (1) to (3).

374.19 Except for benefits issued under section 256J.95, a county agency must not reduce,
374.20 suspend, or terminate payment when an aggrieved participant requests a fair hearing
374.21 prior to the effective date of the adverse action or within ten days of the mailing of the
374.22 notice of adverse action, whichever is later, unless the participant requests in writing not
374.23 to receive continued assistance pending a hearing decision. An appeal request cannot
374.24 extend benefits for the diversionary work program under section 256J.95 beyond the
374.25 four-month time limit. Assistance issued pending a fair hearing is subject to recovery
374.26 under section ~~256J.38~~ 256P.08 when as a result of the fair hearing decision the participant
374.27 is determined ineligible for assistance or the amount of the assistance received. A county
374.28 agency may increase or reduce an assistance payment while an appeal is pending when the
374.29 circumstances of the participant change and are not related to the issue on appeal. The
374.30 commissioner's order is binding on a county agency. No additional notice is required to
374.31 enforce the commissioner's order.

374.32 A county agency shall reimburse appellants for reasonable and necessary expenses
374.33 of attendance at the hearing, such as child care and transportation costs and for the
374.34 transportation expenses of the appellant's witnesses and representatives to and from the
374.35 hearing. Reasonable and necessary expenses do not include legal fees. Fair hearings
374.36 must be conducted at a reasonable time and date by an impartial human services judge

375.1 employed by the department. The hearing may be conducted by telephone or at a site that
375.2 is readily accessible to persons with disabilities.

375.3 The appellant may introduce new or additional evidence relevant to the issues on
375.4 appeal. Recommendations of the human services judge and decisions of the commissioner
375.5 must be based on evidence in the hearing record and are not limited to a review of the
375.6 county agency action.

375.7 Sec. 21. Minnesota Statutes 2014, section 256J.95, subdivision 19, is amended to read:

375.8 Subd. 19. **DWP overpayments and underpayments.** DWP benefits are subject
375.9 to overpayments and underpayments. Anytime an overpayment or an underpayment is
375.10 determined for DWP, the correction shall be calculated using prospective budgeting.
375.11 Corrections shall be determined based on the policy in section 256J.34, subdivision 1,
375.12 paragraphs (a), (b), and (c). ATM errors must be recovered as specified in section ~~256J.38,~~
375.13 ~~subdivision 5~~ 256P.08, subdivision 7. Cross program recoupment of overpayments cannot
375.14 be assigned to or from DWP.

375.15 Sec. 22. Minnesota Statutes 2014, section 256P.001, is amended to read:

375.16 **256P.001 APPLICABILITY.**

375.17 General assistance and Minnesota supplemental aid under chapter 256D, child care
375.18 assistance programs under chapter 119B, and programs governed by chapter 256I or 256J
375.19 are subject to the requirements of this chapter, unless otherwise specified or exempted.

375.20 Sec. 23. Minnesota Statutes 2014, section 256P.01, is amended by adding a subdivision
375.21 to read:

375.22 Subd. 2a. **Assistance unit.** "Assistance unit" is defined by program area under
375.23 sections 119B.011, subdivision 13; 256D.02, subdivision 1a; 256D.35, subdivision 3a;
375.24 256I.03, subdivision 1b; and 256J.08, subdivision 7.

375.25 Sec. 24. Minnesota Statutes 2014, section 256P.01, subdivision 3, is amended to read:

375.26 Subd. 3. **Earned income.** "Earned income" means cash or in-kind income earned
375.27 through the receipt of wages, salary, commissions, bonuses, tips, gratuities, profit from
375.28 employment activities, net profit from self-employment activities, payments made by
375.29 an employer for regularly accrued vacation or sick leave, ~~and any~~ severance pay based
375.30 on accrued leave time, payments from training programs at a rate at or greater than the
375.31 state's minimum wage, royalties, honoraria, or other profit from activity earned through

376.1 ~~effort~~ that results from the client's work, service, effort, or labor. The income must be in
376.2 return for, or as a result of, legal activity.

376.3 Sec. 25. Minnesota Statutes 2014, section 256P.01, is amended by adding a subdivision
376.4 to read:

376.5 Subd. 8. **Unearned income.** "Unearned income" has the meaning given in section
376.6 256P.06, subdivision 3, clause (2).

376.7 Sec. 26. Minnesota Statutes 2014, section 256P.02, is amended by adding a subdivision
376.8 to read:

376.9 Subd. 1a. **Exemption.** Participants who qualify for child care assistance programs
376.10 under chapter 119B are exempt from this section.

376.11 Sec. 27. Minnesota Statutes 2014, section 256P.03, subdivision 1, is amended to read:

376.12 Subdivision 1. **Exempted programs.** Participants who qualify for child care
376.13 assistance programs under chapter 119B, Minnesota supplemental aid under chapter
376.14 256D₂ and for group residential housing under chapter 256I on the basis of eligibility for
376.15 Supplemental Security Income are exempt from this section.

376.16 Sec. 28. Minnesota Statutes 2014, section 256P.04, subdivision 1, is amended to read:

376.17 Subdivision 1. **Exemption.** Participants who receive Minnesota supplemental aid
376.18 and who maintain Supplemental Security Income eligibility under chapters 256D and 256I
376.19 are exempt from the reporting requirements of this section, except that the policies and
376.20 procedures for transfers of assets are those used by the medical assistance program under
376.21 section 256B.0595. Participants who receive child care assistance under chapter 119B are
376.22 exempt from the requirements of this section.

376.23 Sec. 29. Minnesota Statutes 2014, section 256P.04, subdivision 4, is amended to read:

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

376.26 (1) identity of adults;

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

376.28 (3) immigration status;

376.29 (4) income;

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

377.1 (6) vehicles;
377.2 (7) checking and savings accounts;
377.3 (8) inconsistent information, if related to eligibility;
377.4 (9) residence; ~~and~~
377.5 (10) Social Security number; and
377.6 (11) use of nonrecurring income under section 256P.06, subdivision 3, clause (2),
377.7 item (ix), for the intended purpose in which it was given and received.

377.8 (b) Applicants who are qualified noncitizens and victims of domestic violence as
377.9 defined under section 256J.08, subdivision 73, clause (7), are not required to verify the
377.10 information in paragraph (a), clause (10). When a Social Security number is not provided
377.11 to the agency for verification, this requirement is satisfied when each member of the
377.12 assistance unit cooperates with the procedures for verification of Social Security numbers,
377.13 issuance of duplicate cards, and issuance of new numbers which have been established
377.14 jointly between the Social Security Administration and the commissioner.

377.15 Sec. 30. Minnesota Statutes 2014, section 256P.05, subdivision 1, is amended to read:

377.16 Subdivision 1. **Exempted programs.** Participants who qualify for child care
377.17 assistance programs under chapter 119B, Minnesota supplemental aid under chapter
377.18 256D₂ and for group residential housing under chapter 256I on the basis of eligibility for
377.19 Supplemental Security Income are exempt from this section.

377.20 Sec. 31. **[256P.06] INCOME CALCULATIONS.**

377.21 Subdivision 1. **Reporting of income.** To determine eligibility, the county agency
377.22 must evaluate income received by members of the assistance unit, or by other persons
377.23 whose income is considered available to the assistance unit, and only count income that
377.24 is available to the assistance unit. Income is available if the individual has legal access
377.25 to the income.

377.26 Subd. 2. **Exempted individuals.** The following members of an assistance unit
377.27 under chapters 119B and 256J are exempt from having their earned income count towards
377.28 the income of an assistance unit:

377.29 (1) children under six years old;
377.30 (2) caregivers under 20 years of age enrolled at least half time in school; and
377.31 (3) minors enrolled in school full time.

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

377.34 (1) earned income; and

- 378.1 (2) unearned income, which includes:
- 378.2 (i) interest and dividends from investments and savings;
- 378.3 (ii) capital gains as defined by the Internal Revenue Service from any sale of real
- 378.4 property;
- 378.5 (iii) proceeds from rent and contract for deed payments in excess of the principal
- 378.6 and interest portion owed on property;
- 378.7 (iv) income from trusts, excluding special needs and supplemental needs trusts;
- 378.8 (v) interest income from loans made by the participant or household;
- 378.9 (vi) cash prizes and winnings;
- 378.10 (vii) unemployment insurance income;
- 378.11 (viii) retirement, survivors, and disability insurance payments;
- 378.12 (ix) nonrecurring income over \$60 per quarter unless earmarked and used for the
- 378.13 purpose for which it is intended. Income and use of this income is subject to verification
- 378.14 requirements under section 256P.04;
- 378.15 (x) retirement benefits;
- 378.16 (xi) cash assistance benefits, as defined by each program in chapters 119B, 256D,
- 378.17 256I, and 256J;
- 378.18 (xii) tribal per capita payments unless excluded by federal and state law;
- 378.19 (xiii) income and payments from service and rehabilitation programs that meet
- 378.20 or exceed the state's minimum wage rate;
- 378.21 (xiv) income from members of the United States armed forces unless excluded from
- 378.22 income taxes according to federal or state law; and
- 378.23 (xv) child and spousal support.

378.24 **Sec. 32. [256P.07] REPORTING OF INCOME AND CHANGES.**

378.25 Subdivision 1. **Exempted programs.** Participants who qualify for Minnesota

378.26 supplemental aid under chapter 256D and for group residential housing under chapter 256I

378.27 on the basis of eligibility for Supplemental Security Income are exempt from this section.

378.28 Subd. 2. **Reporting requirements.** An applicant or participant must provide

378.29 information on an application and any subsequent reporting forms about the assistance

378.30 unit's circumstances that affect eligibility or benefits. An applicant or assistance unit must

378.31 report changes identified in subdivision 3. When information is not accurately reported,

378.32 both an overpayment and a referral for a fraud investigation may result. When information

378.33 or documentation is not provided, the receipt of any benefit may be delayed or denied,

378.34 depending on the type of information required and its effect on eligibility.

379.1 Subd. 3. **Changes that must be reported.** An assistance unit must report the
379.2 changes or anticipated changes specified in clauses (1) to (12) within ten days of the date
379.3 they occur, at the time of recertification of eligibility under section 256P.04, subdivisions
379.4 8 and 9, or within eight calendar days of a reporting period, whichever occurs first. An
379.5 assistance unit must report other changes at the time of recertification of eligibility under
379.6 section 256P.04, subdivisions 8 and 9, or at the end of a reporting period, as applicable.
379.7 When an agency could have reduced or terminated assistance for one or more payment
379.8 months if a delay in reporting a change specified under clauses (1) to (12) had not
379.9 occurred, the agency must determine whether a timely notice could have been issued
379.10 on the day that the change occurred. When a timely notice could have been issued,
379.11 each month's overpayment subsequent to that notice must be considered a client error
379.12 overpayment under section 119B.11, subdivision 2a; 256D.09, subdivision 6; 256D.49,
379.13 subdivision 3; 256J.38; or 256P.08. Changes in circumstances that must be reported within
379.14 ten days must also be reported for the reporting period in which those changes occurred.
379.15 Within ten days, an assistance unit must report a:
379.16 (1) change in earned income of \$100 per month or greater;
379.17 (2) change in unearned income of \$50 per month or greater;
379.18 (3) change in employment status and hours;
379.19 (4) change in address or residence;
379.20 (5) change in household composition with the exception of programs under chapter
379.21 256I;
379.22 (6) receipt of a lump-sum payment;
379.23 (7) increase in assets if over \$9,000 with the exception of programs under chapter
379.24 119B;
379.25 (8) change in citizenship or immigration status;
379.26 (9) change in family status with the exception of programs under chapter 256I;
379.27 (10) change in disability status of a unit member, with the exception of programs
379.28 under chapter 119B;
379.29 (11) new rent subsidy or a change in rent subsidy; and
379.30 (12) sale, purchase, or transfer of real property.
379.31 Subd. 4. **MFIP-specific reporting.** In addition to subdivision 3, an assistance unit
379.32 under chapter 256J, within ten days of the change, must report:
379.33 (1) a pregnancy not resulting in birth when there are no other minor children; and
379.34 (2) a change in school attendance of a parent under 20 years of age or of an
379.35 employed child.

380.1 Subd. 5. **DWP-specific reporting.** In addition to subdivisions 3 and 4, an assistance
380.2 unit participating in the diversionary work program under section 256J.95 must report
380.3 on an application:

380.4 (1) shelter expenses; and

380.5 (2) utility expenses.

380.6 Subd. 6. **Child care assistance programs-specific reporting.** In addition to
380.7 subdivision 3, an assistance unit under chapter 119B, within ten days of the change, must
380.8 report a:

380.9 (1) change in a parentally responsible individual's visitation schedule or custody
380.10 arrangement for any child receiving child care assistance program benefits; and

380.11 (2) change in authorized activity status.

380.12 Subd. 7. **Minnesota supplemental aid-specific reporting.** In addition to
380.13 subdivision 3, an assistance unit participating in the Minnesota supplemental aid program
380.14 under section 256D.44, subdivision 5, paragraph (f), within ten days of the change, must
380.15 report shelter expenses.

380.16 **Sec. 33. [256P.08] CORRECTION OF OVERPAYMENTS AND**
380.17 **UNDERPAYMENTS.**

380.18 Subdivision 1. **Exempted programs.** Participants who qualify for child care
380.19 assistance programs under chapter 119B or group residential housing under chapter 256I
380.20 are exempt from this section.

380.21 Subd. 2. **Scope of overpayment.** (a) When a participant or former participant
380.22 receives an overpayment due to client or ATM error, or due to assistance received while
380.23 an appeal is pending and the participant or former participant is determined ineligible
380.24 for assistance or for less assistance than was received, except as provided for interim
380.25 assistance in section 256D.06, subdivision 5, the county agency must recoup or recover
380.26 the overpayment using the following methods:

380.27 (1) reconstruct each affected budget month and corresponding payment month;

380.28 (2) use the policies and procedures that were in effect for the payment month; and

380.29 (3) do not allow employment disregards in the calculation of the overpayment when
380.30 the unit has not reported within two calendar months following the end of the month in
380.31 which the income was received.

380.32 (b) Establishment of an overpayment is limited to six years prior to the month of
380.33 discovery due to client error or an intentional program violation determined under section
380.34 256.046.

381.1 (c) A participant or former participant is not responsible for overpayments due to
381.2 agency error, unless the amount of the overpayment is large enough that a reasonable
381.3 person would know it is an error.

381.4 Subd. 3. **Notice of overpayment.** When a county agency discovers that a participant
381.5 or former participant has received an overpayment for one or more months, the county
381.6 agency must notify the participant or former participant of the overpayment in writing.
381.7 A notice of overpayment must specify the reason for the overpayment, the authority for
381.8 citing the overpayment, the time period in which the overpayment occurred, the amount of
381.9 the overpayment, and the participant's or former participant's right to appeal. No limit
381.10 applies to the period in which the county agency is required to recoup or recover an
381.11 overpayment according to subdivisions 5 and 6.

381.12 Subd. 4. **Recovering general assistance and Minnesota supplemental aid**
381.13 **overpayments.** (a) If an amount of assistance is paid to an assistance unit in excess of the
381.14 payment due, it shall be recoverable by the agency. The agency shall give written notice to
381.15 the participant of its intention to recover the overpayment.

381.16 (b) If the individual is no longer receiving assistance, the agency may request
381.17 voluntary repayment or pursue civil recovery.

381.18 (c) If the individual is receiving assistance, except as provided for interim assistance
381.19 in section 256D.06, subdivision 5, when an overpayment occurs the agency shall recover
381.20 the overpayment by withholding an amount equal to:

381.21 (1) three percent of the assistance unit's standard of need for all Minnesota
381.22 supplemental aid assistance units, and nonfraud cases for general assistance; and

381.23 (2) ten percent where fraud has occurred in general assistance cases; or

381.24 (3) the amount of the monthly general assistance or Minnesota supplemental aid
381.25 payment, whichever is less.

381.26 (d) In cases when there is both an overpayment and underpayment, the county
381.27 agency shall offset one against the other in correcting the payment.

381.28 (e) Overpayments may also be voluntarily repaid, in part or in full, by the individual,
381.29 in addition to the assistance reductions provided in this subdivision, to include further
381.30 voluntary reductions in the grant level agreed to in writing by the individual, until the
381.31 total amount of the overpayment is repaid.

381.32 (f) The county agency shall make reasonable efforts to recover overpayments to
381.33 individuals no longer on assistance. The agency need not attempt to recover overpayments
381.34 of less than \$35 paid to an individual no longer on assistance if the individual does not
381.35 receive assistance again within three years, unless the individual has been convicted of
381.36 violating section 256.98.

382.1 (g) Establishment of an overpayment is limited to 12 months prior to the month of
382.2 discovery due to agency error and six years prior to the month of discovery due to client
382.3 error or an intentional program violation determined under section 256.046.

382.4 (h) Residents of licensed residential facilities shall not have overpayments recovered
382.5 from their personal needs allowance.

382.6 (i) Overpayments by another maintenance benefit program shall not be recovered
382.7 from the general assistance or Minnesota supplemental aid grant.

382.8 Subd. 5. **Recovering MFIP overpayments.** A county agency must initiate efforts to
382.9 recover overpayments paid to a former participant or caregiver. Caregivers, both parental
382.10 and nonparental, and minor caregivers of an assistance unit at the time an overpayment
382.11 occurs, whether receiving assistance or not, are jointly and individually liable for repayment
382.12 of the overpayment. The county agency must request repayment from the former
382.13 participants and caregivers. When an agreement for repayment is not completed within six
382.14 months of the date of discovery or when there is a default on an agreement for repayment
382.15 after six months, the county agency must initiate recovery consistent with chapter 270A or
382.16 section 541.05. When a person has been convicted of fraud under section 256.98, recovery
382.17 must be sought regardless of the amount of overpayment. When an overpayment is less
382.18 than \$35, and is not the result of a fraud conviction under section 256.98, the county agency
382.19 must not seek recovery under this subdivision. The county agency must retain information
382.20 about all overpayments regardless of the amount. When an adult, adult caregiver, or minor
382.21 caregiver reapplies for assistance, the overpayment must be recouped under subdivision 6.

382.22 Subd. 6. **Recouping overpayments from MFIP participants.** A participant may
382.23 voluntarily repay, in part or in full, an overpayment even if assistance is reduced under this
382.24 subdivision, until the total amount of the overpayment is repaid. When an overpayment
382.25 occurs due to fraud, the county agency must recover from the overpaid assistance unit,
382.26 including child-only cases, ten percent of the applicable standard or the amount of the
382.27 monthly assistance payment, whichever is less. When a nonfraud overpayment occurs,
382.28 the county agency must recover from the overpaid assistance unit, including child-only
382.29 cases, three percent of the MFIP standard of need or the amount of the monthly assistance
382.30 payment, whichever is less.

382.31 Subd. 7. **Recovering automatic teller machine errors.** For recipients receiving
382.32 benefits by electronic benefit transfer, if the overpayment is a result of an ATM dispensing
382.33 funds in error to the recipient, the agency may recover the ATM error by immediately
382.34 withdrawing funds from the recipient's electronic benefit transfer account, up to the
382.35 amount of the error.

383.1 Subd. 8. **Scope of underpayments.** A county agency must issue a corrective
383.2 payment for underpayments made to a participant or to a person who would be a
383.3 participant if an agency or client error causing the underpayment had not occurred.
383.4 Corrective payments are limited to 12 months prior to the month of discovery. The county
383.5 agency must issue the corrective payment according to subdivision 10.

383.6 Subd. 9. **Identifying the underpayment.** An underpayment may be identified by
383.7 a county agency, participant, former participant, or person who would be a participant
383.8 except for agency or client error.

383.9 Subd. 10. **Issuing corrective payments.** A county agency must correct an
383.10 underpayment within seven calendar days after the underpayment has been identified,
383.11 by adding the corrective payment amount to the monthly assistance payment of the
383.12 participant, issuing a separate payment to a participant or former participant, or reducing
383.13 an existing overpayment balance. When an underpayment occurs in a payment month
383.14 and is not identified until the next payment month or later, the county agency must first
383.15 subtract the underpayment from any overpayment balance before issuing the corrective
383.16 payment. The county agency must not apply an underpayment in a current payment month
383.17 against an overpayment balance. When an underpayment in the current payment month
383.18 is identified, the corrective payment must be issued within seven calendar days after the
383.19 underpayment is identified. Corrective payments must be excluded when determining the
383.20 applicant's or participant's income and resources for the month of payment. The county
383.21 agency must correct underpayments using the following methods:

383.22 (1) reconstruct each affected budget month and corresponding payment month; and
383.23 (2) use the policies and procedures that were in effect for the payment month.

383.24 Subd. 11. **Appeals.** A participant may appeal an underpayment, an overpayment,
383.25 and a reduction in an assistance payment made to recoup the overpayment under
383.26 subdivisions 4 and 6. The participant's appeal of each issue must be timely under section
383.27 256.045. When an appeal based on the notice issued under subdivision 3 is not timely, the
383.28 fact or the amount of that overpayment must not be considered as a part of a later appeal,
383.29 including an appeal of a reduction in an assistance payment to recoup that overpayment.

383.30 Sec. 34. **REPEALER.**

383.31 (a) Minnesota Statutes 2014, sections 256D.0513; 256D.06, subdivision 8; 256D.09,
383.32 subdivision 6; 256D.49; and 256J.38, are repealed.

383.33 (b) Minnesota Rules, part 3400.0170, subparts 5, 6, 12, and 13, are repealed.

383.34 Sec. 35. **EFFECTIVE DATE.**

386.1 **Receipts for Systems Projects.**
386.2 Appropriations and federal receipts for
386.3 information systems projects for MAXIS,
386.4 PRISM, MMIS, ISDS, and SSIS must
386.5 be deposited in the state systems account
386.6 authorized in Minnesota Statutes, section
386.7 256.014. Money appropriated for computer
386.8 projects approved by the commissioner
386.9 of the Office of MN.IT Services, funded
386.10 by the legislature, and approved by the
386.11 commissioner of management and budget
386.12 may be transferred from one project to
386.13 another and from development to operations
386.14 as the commissioner of human services
386.15 considers necessary. Any unexpended
386.16 balance in the appropriation for these
386.17 projects does not cancel but is available for
386.18 ongoing development and operations.

386.19 **Nonfederal Share Transfers.** The
386.20 nonfederal share of activities for which
386.21 federal administrative reimbursement is
386.22 appropriated to the commissioner may be
386.23 transferred to the special revenue fund.

386.24 **TANF Maintenance of Effort.** (a) In order
386.25 to meet the basic maintenance of effort
386.26 (MOE) requirements of the TANF block grant
386.27 specified under Code of Federal Regulations,
386.28 title 45, section 263.1, the commissioner may
386.29 only report nonfederal money expended for
386.30 allowable activities listed in the following
386.31 clauses as TANF/MOE expenditures:

386.32 (1) MFIP cash, diversionary work program,
386.33 and food assistance benefits under Minnesota
386.34 Statutes, chapter 256J;

- 387.1 (2) the child care assistance programs
387.2 under Minnesota Statutes, sections 119B.03
387.3 and 119B.05, and county child care
387.4 administrative costs under Minnesota
387.5 Statutes, section 119B.15;
- 387.6 (3) state and county MFIP administrative
387.7 costs under Minnesota Statutes, chapters
387.8 256J and 256K;
- 387.9 (4) state, county, and tribal MFIP
387.10 employment services under Minnesota
387.11 Statutes, chapters 256J and 256K;
- 387.12 (5) expenditures made on behalf of legal
387.13 noncitizen MFIP recipients who qualify for
387.14 the MinnesotaCare program under Minnesota
387.15 Statutes, chapter 256L;
- 387.16 (6) qualifying working family credit
387.17 expenditures under Minnesota Statutes,
387.18 section 290.0671; and
- 387.19 (7) qualifying Minnesota education credit
387.20 expenditures under Minnesota Statutes,
387.21 section 290.0674.
- 387.22 (b) The commissioner shall ensure that
387.23 sufficient qualified nonfederal expenditures
387.24 are made each year to meet the state's
387.25 TANF/MOE requirements. For the activities
387.26 listed in paragraph (a), clauses (2) to
387.27 (7), the commissioner may only report
387.28 expenditures that are excluded from the
387.29 definition of assistance under Code of
387.30 Federal Regulations, title 45, section 260.31.
- 387.31 (c) For fiscal years beginning with state fiscal
387.32 year 2003, the commissioner shall ensure
387.33 that the maintenance of effort used by the
387.34 commissioner of management and budget

388.1 for the February and November forecasts
388.2 required under Minnesota Statutes, section
388.3 16A.103, contains expenditures under
388.4 paragraph (a), clause (1), equal to at least 16
388.5 percent of the total required under Code of
388.6 Federal Regulations, title 45, section 263.1.

388.7 (d) The requirement in Minnesota Statutes,
388.8 section 256.011, subdivision 3, that federal
388.9 grants or aids secured or obtained under that
388.10 subdivision be used to reduce any direct
388.11 appropriations provided by law, does not
388.12 apply if the grants or aids are federal TANF
388.13 funds.

388.14 (e) For the federal fiscal years beginning on
388.15 or after October 1, 2007, the commissioner
388.16 may not claim an amount of TANF/MOE in
388.17 excess of the 75 percent standard in Code
388.18 of Federal Regulations, title 45, section
388.19 263.1(a)(2), except:

388.20 (1) to the extent necessary to meet the 80
388.21 percent standard under Code of Federal
388.22 Regulations, title 45, section 263.1(a)(1),
388.23 if it is determined by the commissioner
388.24 that the state will not meet the TANF work
388.25 participation target rate for the current year;

388.26 (2) to provide any additional amounts
388.27 under Code of Federal Regulations, title 45,
388.28 section 264.5, that relate to replacement of
388.29 TANF funds due to the operation of TANF
388.30 penalties; and

388.31 (3) to provide any additional amounts that
388.32 may contribute to avoiding or reducing
388.33 TANF work participation penalties through
388.34 the operation of the excess MOE provisions

389.1 of Code of Federal Regulations, title 45,
 389.2 section 261.43(a)(2).

389.3 (f) For the purposes of paragraph (e), clauses
 389.4 (1) to (3), the commissioner may supplement
 389.5 the MOE claim with working family credit
 389.6 expenditures or other qualified expenditures
 389.7 to the extent such expenditures are otherwise
 389.8 available after considering the expenditures
 389.9 allowed in this subdivision.

389.10 (g) Notwithstanding any contrary provision
 389.11 in this article, paragraphs (a) to (f) expire
 389.12 June 30, 2019.

389.13 **Working Family Credit Expenditure**
 389.14 **as TANF/MOE.** The commissioner may
 389.15 claim as TANF maintenance of effort up to
 389.16 \$6,707,000 per year of working family credit
 389.17 expenditures in each fiscal year.

389.18 **Subd. 2. Central Office**

389.19 The amounts that may be spent from this
 389.20 appropriation for each purpose are as follows:

389.21 **(a) Operations**

	<u>Appropriations by Fund</u>	
389.22		
389.23	<u>General</u>	<u>87,876,000</u> <u>82,809,000</u>
389.24	<u>State Government</u>	
389.25	<u>Special Revenue</u>	<u>4,389,000</u> <u>4,149,000</u>
389.26	<u>Health Care Access</u>	<u>12,826,000</u> <u>12,841,000</u>
389.27	<u>Federal TANF</u>	<u>100,000</u> <u>100,000</u>

389.28 **Systems Costs.** \$34,000 in fiscal year 2016
 389.29 from the general fund is for systems costs
 389.30 related to the operation of a tribal TANF
 389.31 program by the Red Lake Nation.

389.32 **Administrative Recovery; Set-Aside.** The
 389.33 commissioner may invoice local entities
 389.34 through the SWIFT accounting system as an

390.1 alternative means to recover the actual cost
 390.2 of administering the following provisions:
 390.3 (1) Minnesota Statutes, section 125A.744,
 390.4 subdivision 3;
 390.5 (2) Minnesota Statutes, section 245.495,
 390.6 paragraph (b);
 390.7 (3) Minnesota Statutes, section 256B.0625,
 390.8 subdivision 20, paragraph (k);
 390.9 (4) Minnesota Statutes, section 256B.0924,
 390.10 subdivision 6, paragraph (g);
 390.11 (5) Minnesota Statutes, section 256B.0945,
 390.12 subdivision 4, paragraph (d); and
 390.13 (6) Minnesota Statutes, section 256F.10,
 390.14 subdivision 6, paragraph (b).

390.15 **IT Appropriations Generally.** This
 390.16 appropriation includes funds for information
 390.17 technology projects, services, and support.
 390.18 Notwithstanding Minnesota Statutes,
 390.19 section 16E.0466, funding for information
 390.20 technology project costs shall be incorporated
 390.21 into the service level agreement and paid
 390.22 to the Office of MN.IT Services by the
 390.23 Department of Human Services under
 390.24 the rates and mechanism specified in that
 390.25 agreement.

390.26 **(b) Children and Families**

	<u>Appropriations by Fund</u>	
390.28 <u>General</u>	<u>8,476,000</u>	<u>8,267,000</u>
390.29 <u>Federal TANF</u>	<u>2,582,000</u>	<u>2,582,000</u>

390.30 **Financial Institution Data Match and**
 390.31 **Payment of Fees.** The commissioner is
 390.32 authorized to allocate up to \$310,000 each
 390.33 year in fiscal year 2016 and fiscal year
 390.34 2017 from the PRISM special revenue

391.1 account to make payments to financial
 391.2 institutions in exchange for performing
 391.3 data matches between account information
 391.4 held by financial institutions and the public
 391.5 authority's database of child support obligors
 391.6 as authorized by Minnesota Statutes, section
 391.7 13B.06, subdivision 7.

391.8 **Child Support Work Group.** \$12,000 in
 391.9 fiscal year 2016 is from the general fund for
 391.10 facilitation of the duties of the child support
 391.11 work group.

391.12 **Stearns County Veterans Housing.** \$85,000
 391.13 in fiscal year 2016 and \$85,000 in fiscal year
 391.14 2017 are from the general fund for a grant
 391.15 to Stearns County to provide administrative
 391.16 funding in support of a service provider
 391.17 serving veterans in Stearns County. The
 391.18 administrative funding grant may be used to
 391.19 support group residential housing services,
 391.20 corrections-related services, veteran services,
 391.21 and other social services related to the service
 391.22 provider serving veterans in Stearns County.
 391.23 This is a onetime appropriation.

391.24 **(c) Health Care**

	<u>Appropriations by Fund</u>	
391.25		
391.26	<u>General</u>	<u>15,932,000</u> <u>20,036,000</u>
391.27	<u>Health Care Access</u>	<u>24,764,000</u> <u>24,122,000</u>

391.28 **(d) Continuing Care**

	<u>Appropriations by Fund</u>	
391.29		
391.30	<u>General</u>	<u>27,585,000</u> <u>25,786,000</u>
391.31	<u>State Government</u>	
391.32	<u>Special Revenue</u>	<u>125,000</u> <u>125,000</u>

391.33 **Nursing Facilities.** \$890,000 in fiscal year
 391.34 2016 is from the general fund for the nursing

392.1 facility property rate setting appraisals and
 392.2 study. This is a onetime appropriation.

392.3 **(e) Chemical and Mental Health**

392.4 Appropriations by Fund

392.5 General 4,895,000 5,095,000

392.6 Lottery Prize 157,000 157,000

392.7 **Subd. 3. Forecasted Programs**

392.8 The amounts that may be spent from this
 392.9 appropriation for each purpose are as follows:

392.10 **(a) MFIP/DWP**

392.11 Appropriations by Fund

392.12 General 82,355,000 86,086,000

392.13 Federal TANF 93,093,000 88,798,000

392.14 **(b) MFIP Child Care Assistance** 98,920,000 105,921,000

392.15 **(c) General Assistance** 55,117,000 57,847,000

392.16 **General Assistance Standard.** The
 392.17 commissioner shall set the monthly standard
 392.18 of assistance for general assistance units
 392.19 consisting of an adult recipient who is
 392.20 childless and unmarried or living apart
 392.21 from parents or a legal guardian at \$203.

392.22 The commissioner may reduce this amount
 392.23 according to Laws 1997, chapter 85, article
 392.24 3, section 54.

392.25 **Emergency General Assistance.** The
 392.26 amount appropriated for emergency
 392.27 general assistance is limited to no more
 392.28 than \$6,729,812 in fiscal year 2016 and
 392.29 \$6,729,812 in fiscal year 2017. Funds
 392.30 to counties shall be allocated by the
 392.31 commissioner using the allocation method
 392.32 under Minnesota Statutes, section 256D.06.

392.33 **(d) Minnesota Supplemental Aid** 39,668,000 41,169,000

393.1	<u>(e) Group Residential Housing</u>	<u>155,753,000</u>	<u>167,194,000</u>
393.2	<u>(f) Northstar Care for Children</u>	<u>41,096,000</u>	<u>46,336,000</u>
393.3	<u>(g) MinnesotaCare</u>	<u>234,982,000</u>	<u>20,854,000</u>
393.4	<u>This appropriation is from the health care</u>		
393.5	<u>access fund.</u>		
393.6	<u>(h) Medical Assistance</u>		
393.7	<u>Appropriations by Fund</u>		
393.8	<u>General</u>	<u>4,180,159,000</u>	<u>4,565,620,000</u>
393.9	<u>Health Care Access</u>	<u>692,374,000</u>	<u>537,281,000</u>
393.10	<u>Contingent Rate Reductions.</u> <u>If the</u>		
393.11	<u>commissioner determines that contract</u>		
393.12	<u>negotiations to reduce managed care and</u>		
393.13	<u>county-based purchasing plan administrative</u>		
393.14	<u>costs, and implementation of statewide</u>		
393.15	<u>competitive bidding, will not achieve a state</u>		
393.16	<u>general fund savings of \$150,000,000 for</u>		
393.17	<u>the biennium beginning July 1, 2015, the</u>		
393.18	<u>commissioner shall calculate an estimate</u>		
393.19	<u>of the shortfall in savings, and, for the</u>		
393.20	<u>fiscal year beginning July 1, 2016, shall</u>		
393.21	<u>reduce medical assistance provider payment</u>		
393.22	<u>rates, including but not limited to rates to</u>		
393.23	<u>individual health care providers and provider</u>		
393.24	<u>agencies, hospitals, other residential settings,</u>		
393.25	<u>and capitation rates provided to managed</u>		
393.26	<u>care and county-based purchasing plans, but</u>		
393.27	<u>excluding nursing facilities, by the amount</u>		
393.28	<u>necessary to recoup the shortfall in savings</u>		
393.29	<u>over that fiscal year.</u>		
393.30	<u>Base Adjustment.</u> <u>The health care</u>		
393.31	<u>access fund base for medical assistance</u>		
393.32	<u>is \$476,236,000 in fiscal year 2018 and</u>		
393.33	<u>\$275,118,000 in fiscal year 2019.</u>		
393.34	<u>(i) Alternative Care</u>	<u>42,704,000</u>	<u>43,421,000</u>

394.1 **Alternative Care Transfer.** Any money
 394.2 allocated to the alternative care program that
 394.3 is not spent for the purposes indicated does
 394.4 not cancel but must be transferred to the
 394.5 medical assistance account.

394.6 **(j) Chemical Dependency Treatment Fund** 81,863,000 85,660,000

394.7 **Subd. 4. Grant Programs**

394.8 The amounts that may be spent from this
 394.9 appropriation for each purpose are as follows:

394.10 **(a) Support Services Grants**

394.11 Appropriations by Fund

394.12 General 13,258,000 8,840,000

394.13 Federal TANF 96,311,000 96,311,000

394.14 **Tribal TANF Program; Red Lake Nation.**

394.15 \$125,000 in fiscal year 2016 and \$125,000 in
 394.16 fiscal year 2017 from the general fund are for
 394.17 transfer to the Red Lake Nation to operate a
 394.18 tribal TANF program.

394.19 **(b) Basic Sliding Fee Child Care Assistance**
 394.20 **Grants**

44,318,000 47,518,000

394.21 **(c) Child Care Development Grants**

1,737,000 1,737,000

394.22 **(d) Child Support Enforcement Grants**

50,000 50,000

394.23 **(e) Children's Services Grants**

394.24 Appropriations by Fund

394.25 General 39,015,000 38,665,000

394.26 Federal TANF 140,000 140,000

394.27 **Safe Place for Newborns.** \$350,000 in

394.28 fiscal year 2016 is from the general fund to
 394.29 distribute information on the Safe Place for
 394.30 Newborns law in Minnesota. The purpose
 394.31 of this appropriation is to increase public
 394.32 awareness of the law.

395.1 **Title IV-E Adoption Assistance.** Additional
 395.2 federal reimbursement to the state as a result
 395.3 of the Fostering Connections to Success
 395.4 and Increasing Adoptions Act's expanded
 395.5 eligibility for title IV-E adoption assistance
 395.6 is appropriated to the commissioner
 395.7 for postadoption services, including a
 395.8 parent-to-parent support network.

395.9 **Adoption Assistance Incentive Grants.**
 395.10 Federal funds available during fiscal years
 395.11 2016 and 2017 for adoption incentive grants
 395.12 are appropriated to the commissioner for
 395.13 these purposes.

395.14 **(f) Children and Community Service Grants** 56,301,000 56,301,000

395.15 **(g) Children and Economic Support Grants** 25,281,000 25,291,000

395.16 **Homeless Youth Act.** \$2,000,000 in fiscal
 395.17 year 2016 and \$2,000,000 in fiscal year 2017
 395.18 are from the general fund for purposes of
 395.19 Minnesota Statutes, section 256K.45.

395.20 **Mobile Food Shelf Grants.** (a) \$1,000,000
 395.21 in fiscal year 2016 and \$1,000,000 in fiscal
 395.22 year 2017 are from the general fund for
 395.23 transfer to Hunger Solutions. This is a
 395.24 onetime appropriation and is available until
 395.25 June 30, 2017.

395.26 **(b) Hunger Solutions shall award grants of**
 395.27 **up to \$75,000 on a competitive basis. Grant**
 395.28 **applications must include:**

395.29 **(1) the location of the project;**

395.30 **(2) a description of the mobile program,**
 395.31 **including size and scope;**

395.32 **(3) evidence regarding the unserved or**
 395.33 **underserved nature of the community in**
 395.34 **which the project is to be located;**

- 396.1 (4) evidence of community support for the
396.2 project;
- 396.3 (5) the total cost of the project;
- 396.4 (6) the amount of the grant request and how
396.5 funds will be used;
- 396.6 (7) sources of funding or in-kind
396.7 contributions for the project that will
396.8 supplement any grant award;
- 396.9 (8) a commitment to mobile programs by the
396.10 applicant and an ongoing commitment to
396.11 maintain the mobile program; and
- 396.12 (9) any additional information requested by
396.13 Hunger Solutions.
- 396.14 (c) Priority may be given to applicants who:
- 396.15 (1) serve underserved areas;
- 396.16 (2) create a new or expand an existing mobile
396.17 program;
- 396.18 (3) serve areas where a high amount of need
396.19 is identified;
- 396.20 (4) provide evidence of strong support for the
396.21 project from citizens and other institutions in
396.22 the community;
- 396.23 (5) leverage funding for the project from
396.24 other private and public sources; and
- 396.25 (6) commit to maintaining the program on a
396.26 multilayer basis.
- 396.27 **Safe Harbor.** (a) \$1,000,000 in fiscal year
396.28 2016 and \$1,000,000 in fiscal year 2017 are
396.29 from the general fund for emergency shelter
396.30 and transitional and long-term housing beds
396.31 for sexually exploited youth and youth at risk
396.32 of sexual exploitation.

397.1 (b) \$150,000 in fiscal year 2016 and
 397.2 \$150,000 in fiscal year 2017 are from the
 397.3 general fund for statewide youth outreach
 397.4 workers connecting sexually exploited youth
 397.5 and youth at risk of sexual exploitation with
 397.6 shelter and services.

397.7 **Minnesota Food Assistance Program.**

397.8 Unexpended funds for the Minnesota food
 397.9 assistance program for fiscal year 2016 do
 397.10 not cancel but are available for this purpose
 397.11 in fiscal year 2017.

397.12 **(h) Health Care Grants**

397.13	<u>Appropriations by Fund</u>		
397.14	<u>General</u>	<u>410,000</u>	<u>410,000</u>
397.15	<u>Health Care Access</u>	<u>3,341,000</u>	<u>3,465,000</u>

397.16 **(i) Other Long-Term Grants** 1,551,000 3,069,000

397.17 **(j) Aging and Adult Services Grants** 28,463,000 29,407,000

397.18 **Dementia Grants.** \$750,000 in fiscal year

397.19 2016 and \$750,000 in fiscal year 2017 are

397.20 from the general fund for the Minnesota

397.21 Board on Aging for regional and local

397.22 dementia grants authorized in Minnesota

397.23 Statutes, section 256.975, subdivision 11.

397.24 This amount shall be added to the base. Up

397.25 to one percent of each appropriation may be

397.26 used by the board to administer the regional

397.27 and local dementia grants.

397.28 **(k) Deaf and Hard-of-Hearing Grants** 2,875,000 2,961,000

397.29 **Deaf and Hard-of-Hearing Services**

397.30 **Division.** \$650,000 in fiscal year 2016

397.31 and \$500,000 in fiscal year 2017 are

397.32 from the general fund for the Deaf and

397.33 Hard-of-Hearing Services Division under

397.34 Minnesota Statutes, 256C.233. This

398.1 appropriation is added to the base. The funds
 398.2 must be used:
 398.3 (1) to provide linguistically and culturally
 398.4 appropriate mental health services;
 398.5 (2) to ensure that each regional advisory
 398.6 committee meets at least quarterly;
 398.7 (3) to increase the number of deafblind
 398.8 Minnesotans receiving services;
 398.9 (4) to conduct an analysis of how the regional
 398.10 offices and staff are operated, in consultation
 398.11 with the Commission of Deaf, DeafBlind,
 398.12 and Hard of Hearing Minnesotans;
 398.13 (5) during fiscal year 2016, to provide direct
 398.14 services to clients and purchase additional
 398.15 technology for the technology labs; and
 398.16 (6) to conduct an analysis of whether
 398.17 deafblind services are being provided in the
 398.18 best and most efficient way possible, with
 398.19 input from deafblind Minnesotans receiving
 398.20 services.

398.21 **Grants.** \$350,000 in fiscal year 2016 and
 398.22 \$500,000 in fiscal year 2017 are from the
 398.23 general fund for deaf and hard-of-hearing
 398.24 grants. The funds must be used to increase the
 398.25 number of deafblind Minnesotans receiving
 398.26 services under Minnesota Statutes, section
 398.27 256C.261, and to provide linguistically and
 398.28 culturally appropriate mental health services
 398.29 to children who are deaf, deafblind, and
 398.30 hard-of-hearing.

398.31 **(l) Disabilities Grants** 20,647,000 22,045,000

398.32 **(m) Adult Mental Health Grants**

398.33 Appropriations by Fund

398.34 General 71,042,000 71,542,000

399.1	<u>Health Care Access</u>	<u>750,000</u>	<u>750,000</u>
399.2	<u>Lottery Prize</u>	<u>1,733,000</u>	<u>1,733,000</u>

399.3 **Funding Usage.** Up to 75 percent of a fiscal
 399.4 year's appropriation for adult mental health
 399.5 grants may be used to fund allocations in that
 399.6 portion of the fiscal year ending December
 399.7 31.

399.8 **Comprehensive Mental Health Center.**
 399.9 \$1,500,000 for the 2016-2017 biennium is
 399.10 from the general fund for a grant to Beltrami
 399.11 County to fund the planning and development
 399.12 of a comprehensive mental health center.

399.13 **Problem Gambling.** \$225,000 in fiscal year
 399.14 2016 and \$225,000 in fiscal year 2017 are
 399.15 from the lottery prize fund for a grant to the
 399.16 state affiliate recognized by the National
 399.17 Council on Problem Gambling. The affiliate
 399.18 must provide services to increase public
 399.19 awareness of problem gambling, education,
 399.20 and training for individuals and organizations
 399.21 providing effective treatment services to
 399.22 problem gamblers and their families, and
 399.23 research related to problem gambling.

399.24	<u>(n) Child Mental Health Grants</u>	<u>23,136,000</u>	<u>23,963,000</u>
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399.25 **Funding Usage.** Up to 75 percent of a fiscal
 399.26 year's appropriation for child mental health
 399.27 grants may be used to fund allocations in that
 399.28 portion of the fiscal year ending December
 399.29 31.

399.30 **Special Projects.** (a) \$600,000 in fiscal year
 399.31 2016 and \$500,000 in fiscal year 2017 are
 399.32 from the general fund to fund special projects
 399.33 to provide intensive treatment and supports
 399.34 to adolescents and young adults who are

400.1 experiencing their first psychotic or manic
 400.2 episode. Projects must utilize all available
 400.3 funding streams.

400.4 (b) Of the fiscal year 2016 appropriation,
 400.5 \$100,000 must be used by the special projects
 400.6 to conduct outreach, training, and guidance.
 400.7 This money is available until spent.

400.8 **Chemical Dependency Prevention.**
 400.9 \$150,000 in fiscal year 2016 and \$150,000 in
 400.10 fiscal year 2017 are from the general fund for
 400.11 grants to nonprofit organizations to provide
 400.12 chemical dependency prevention programs
 400.13 in secondary schools. When making
 400.14 grants, the commissioner must consider the
 400.15 expertise, prior experience, and outcomes
 400.16 achieved by applicants that have provided
 400.17 prevention programming in secondary
 400.18 education environments. An applicant for the
 400.19 grant funds must provide verification to the
 400.20 commissioner that the applicant has available
 400.21 and will contribute sufficient funds to match
 400.22 the grant given by the commissioner. Unspent
 400.23 funds cancel at the end of each fiscal year.

400.24 **(o) Chemical Dependency Treatment Support**
 400.25 **Grants**

1,161,000

1,161,000

400.26 **Subd. 5. DCT State-Operated Services**

400.27 **Transfer Authority for State-Operated**
 400.28 **Services.** Money appropriated for
 400.29 state-operated services may be transferred
 400.30 between fiscal years of the biennium
 400.31 with the approval of the commissioner of
 400.32 management and budget.

400.33 The amounts that may be spent from the
 400.34 appropriation for each purpose are as follows:

401.1	<u>(a) DCT State-Operated Services Mental</u>		
401.2	<u>Health</u>	<u>124,319,000</u>	<u>124,290,000</u>
401.3	<u>Dedicated Receipts Available.</u> Of the		
401.4	<u>revenue received under Minnesota Statutes,</u>		
401.5	<u>section 246.18, subdivision 8, paragraph</u>		
401.6	<u>(a), up to \$1,000,000 each year is available</u>		
401.7	<u>for the purposes of Minnesota Statutes,</u>		
401.8	<u>section 246.18, subdivision 8, paragraph</u>		
401.9	<u>(b), clause (1); up to \$1,000,000 each year</u>		
401.10	<u>is available to transfer to the adult mental</u>		
401.11	<u>health grants budget activity for the purposes</u>		
401.12	<u>of Minnesota Statutes, section 246.18,</u>		
401.13	<u>subdivision 8, paragraph (b), clause (2); and</u>		
401.14	<u>up to \$2,713,000 each year is available for</u>		
401.15	<u>the purposes of Minnesota Statutes, section</u>		
401.16	<u>246.18, subdivision 8, paragraph (b), clause</u>		
401.17	<u>(3).</u>		
401.18	<u>(b) DCT State-Operated Services Enterprise</u>		
401.19	<u>Services</u>	<u>-0-</u>	<u>385,000</u>
401.20	<u>(c) DCT State-Operated Services Minnesota</u>		
401.21	<u>Security Hospital</u>	<u>74,750,000</u>	<u>74,756,000</u>
401.22	<u>Subd. 6. DCT Minnesota Sex Offender</u>		
401.23	<u>Program</u>	<u>79,745,000</u>	<u>79,745,000</u>
401.24	<u>Transfer Authority for Minnesota Sex</u>		
401.25	<u>Offender Program.</u> Money appropriated		
401.26	<u>for the Minnesota sex offender program</u>		
401.27	<u>may be transferred between fiscal years</u>		
401.28	<u>of the biennium with the approval of the</u>		
401.29	<u>commissioner of management and budget.</u>		
401.30	<u>Subd. 7. Technical Activities</u>	<u>82,671,000</u>	<u>83,427,000</u>
401.31	<u>This appropriation is from the federal TANF</u>		
401.32	<u>fund.</u>		
401.33	<u>Sec. 3. COMMISSIONER OF HEALTH</u>		
401.34	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 156,049,000</u>	<u>\$ 154,243,000</u>

402.1	<u>Appropriations by Fund</u>		
402.2	<u>2016</u>	<u>2017</u>	
402.3	<u>General</u>	<u>89,192,000</u>	<u>87,953,000</u>
402.4	<u>State Government</u>		
402.5	<u>Special Revenue</u>	<u>51,728,000</u>	<u>51,761,000</u>
402.6	<u>Health Care Access</u>	<u>11,243,000</u>	<u>10,643,000</u>
402.7	<u>Federal TANF</u>	<u>3,886,000</u>	<u>3,886,000</u>

402.8 The amounts that may be spent for each
 402.9 purpose are specified in the following
 402.10 subdivisions.

402.11 Subd. 2. **Health Improvement**

402.12	<u>Appropriations by Fund</u>		
402.13	<u>General</u>	<u>69,853,000</u>	<u>68,622,000</u>
402.14	<u>State Government</u>		
402.15	<u>Special Revenue</u>	<u>6,199,000</u>	<u>6,114,000</u>
402.16	<u>Health Care Access</u>	<u>11,243,000</u>	<u>10,643,000</u>
402.17	<u>Federal TANF</u>	<u>3,886,000</u>	<u>3,886,000</u>

402.18 (a) \$2,243,000 in fiscal year 2016 and
 402.19 \$2,277,000 in fiscal year 2017 are from the
 402.20 general fund for the MERC program.

402.21 (b) \$250,000 in the biennium ending June
 402.22 30, 2017, is from the general fund to
 402.23 award a grant to a statewide advance care
 402.24 planning resource organization that has
 402.25 expertise in convening and coordinating
 402.26 community-based strategies to encourage
 402.27 individuals, families, caregivers, and health
 402.28 care providers to begin conversations
 402.29 regarding end-of-life care choices that
 402.30 express an individual's health care values
 402.31 and preferences and are based on informed
 402.32 health care decisions. This is a onetime
 402.33 appropriation.

402.34 (c) \$200,000 in fiscal year 2016 is from the
 402.35 general fund to provide a grant to the Leech
 402.36 Lake Band of Ojibwe ambulance service for
 402.37 equipment upgrades.

- 403.1 (d) \$800,000 in fiscal year 2016 and \$800,000
403.2 in fiscal year 2017 are from the general fund
403.3 for regional poison information centers under
403.4 Minnesota Statutes, section 145.93. This
403.5 appropriation is added to the base.
- 403.6 (e) \$1,000,000 in fiscal year 2016 and
403.7 \$1,000,000 in fiscal year 2017 are from the
403.8 general fund to provide subsidies to federally
403.9 qualified health centers under Minnesota
403.10 Statutes, section 145.9269. This is a onetime
403.11 appropriation.
- 403.12 (f) \$350,000 in fiscal year 2016 and \$350,000
403.13 in fiscal year 2017 are from the general fund
403.14 for the Minnesota stroke system under the
403.15 heart disease and stroke prevention unit
403.16 under the Department of Health.
- 403.17 (g) \$500,000 in fiscal year 2016 and \$500,000
403.18 in fiscal year 2017 are from the general fund
403.19 for the Smile Healthy Minnesota 2016 grant
403.20 program under Minnesota Statutes, section
403.21 145.9299. The appropriation is available
403.22 until expended.
- 403.23 (h) \$200,000 in fiscal year 2016 is from the
403.24 general fund for the purposes of establishing
403.25 a grant program used to develop and create
403.26 culturally appropriate outreach programs that
403.27 provide education about the importance of
403.28 organ donation. Grants shall be awarded to
403.29 a federally designated organ procurement
403.30 organization and hospital system that
403.31 performs transplants. This is a onetime
403.32 appropriation.
- 403.33 (i) \$6,500,000 in fiscal year 2016 and
403.34 \$6,500,000 in fiscal year 2017 are from the
403.35 general fund for the purposes of the primary

404.1 care residency expansion grant program
404.2 under Minnesota Statutes, section 144.1506.
404.3 (j) \$250,000 in fiscal year 2016 is from the
404.4 general fund for a grant to a community
404.5 health center to partner with a nonprofit
404.6 organization that helps Somali women, for
404.7 the community health center and nonprofit
404.8 organization to do the following:
404.9 (1) choose a primary care physician;
404.10 (2) provide high quality, compassionate, and
404.11 ethically sound health care services to all;
404.12 (3) engage in dialogue with patients to
404.13 determine their care expectations;
404.14 (4) counsel patients regarding the benefits of
404.15 preventative health care and early screening,
404.16 intervention, and treatment; and
404.17 (5) advocate for increased public awareness
404.18 of the benefits of preventative health care
404.19 and early screening and intervention.
404.20 The community health center shall report
404.21 the progress of the nonprofit organization to
404.22 the commissioner by July 1, 2016. This is a
404.23 onetime appropriation.
404.24 (k) \$270,000 in fiscal year 2016 and \$20,000
404.25 in fiscal year 2017 are from the general fund
404.26 to the commissioner of health for grants to
404.27 educate emergency medical services persons
404.28 on the use of an opiate antagonist in the event
404.29 of an opioid or heroin overdose. The funding
404.30 must be distributed proportionately to the
404.31 eight regional emergency medical services
404.32 programs based on the need of the regions,
404.33 as determined by the commissioner by using
404.34 existing data. The regional emergency

405.1 medical services programs must submit an
405.2 application for a grant to the commissioner
405.3 by September 1, 2015. This is a onetime
405.4 appropriation.

405.5 (l) \$1,500,000 in fiscal year 2016 and
405.6 \$1,500,000 in fiscal year 2017 are from the
405.7 general fund for the purposes of the home
405.8 and community-based services employee
405.9 scholarship program under Minnesota
405.10 Statutes, section 144.1503.

405.11 **TANF Appropriations.** (a) \$1,156,000 of
405.12 the TANF funds is appropriated each year of
405.13 the biennium to the commissioner for family
405.14 planning grants under Minnesota Statutes,
405.15 section 145.925.

405.16 (b) \$2,000,000 of the TANF funds is
405.17 appropriated each year of the biennium to
405.18 the commissioner for decreasing racial and
405.19 ethnic disparities in infant mortality rates
405.20 under Minnesota Statutes, section 145.928,
405.21 subdivision 7.

405.22 (c) The commissioner may use up to 6.23
405.23 percent of the funds appropriated each fiscal
405.24 year to conduct the ongoing evaluations
405.25 required under Minnesota Statutes, section
405.26 145A.17, subdivision 7, and training and
405.27 technical assistance as required under
405.28 Minnesota Statutes, section 145A.17,
405.29 subdivisions 4 and 5.

405.30 **TANF Carryforward.** Any unexpended
405.31 balance of the TANF appropriation in the
405.32 first year of the biennium does not cancel but
405.33 is available for the second year.

405.34 **Subd. 3. Health Protection**

406.1	<u>Appropriations by Fund</u>		
406.2	<u>General</u>	<u>12,381,000</u>	<u>12,381,000</u>
406.3	<u>State Government</u>		
406.4	<u>Special Revenue</u>	<u>45,561,000</u>	<u>45,679,000</u>
406.5	<u>\$32,000 is appropriated in fiscal year 2016</u>		
406.6	<u>and \$32,000 is appropriated in fiscal year</u>		
406.7	<u>2017 from the state government special</u>		
406.8	<u>revenue fund for licensing activities under</u>		
406.9	<u>Minnesota Statutes, section 145.417.</u>		
406.10	<u>Subd. 4. Administrative Support Services</u>	<u>6,958,000</u>	<u>6,950,000</u>
406.11	<u>Sec. 4. HEALTH-RELATED BOARDS</u>		
406.12	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 19,707,000</u>	<u>\$ 19,597,000</u>
406.13	<u>This appropriation is from the state</u>		
406.14	<u>government special revenue fund. The</u>		
406.15	<u>amounts that may be spent for each purpose</u>		
406.16	<u>are specified in the following subdivisions.</u>		
406.17	<u>Subd. 2. Board of Chiropractic Examiners</u>	<u>507,000</u>	<u>513,000</u>
406.18	<u>Subd. 3. Board of Dentistry</u>	<u>2,192,000</u>	<u>2,206,000</u>
406.19	<u>This appropriation includes \$864,000 in fiscal</u>		
406.20	<u>year 2016 and \$878,000 in fiscal year 2017</u>		
406.21	<u>for the health professional services program.</u>		
406.22	<u>Subd. 4. Board of Dietetics and Nutrition</u>		
406.23	<u>Practice</u>	<u>113,000</u>	<u>115,000</u>
406.24	<u>Subd. 5. Board of Marriage and Family</u>		
406.25	<u>Therapy</u>	<u>234,000</u>	<u>237,000</u>
406.26	<u>Subd. 6. Board of Medical Practice</u>	<u>3,933,000</u>	<u>3,962,000</u>
406.27	<u>Subd. 7. Board of Nursing</u>	<u>4,189,000</u>	<u>4,243,000</u>
406.28	<u>Subd. 8. Board of Nursing Home</u>		
406.29	<u>Administrators</u>	<u>2,365,000</u>	<u>2,062,000</u>
406.30	<u>Administrative Services Unit - Operating</u>		
406.31	<u>Costs. Of this appropriation, \$1,482,000</u>		
406.32	<u>in fiscal year 2016 and \$1,497,000 in</u>		
406.33	<u>fiscal year 2017 are for operating costs</u>		

407.1 of the administrative services unit. The
407.2 administrative services unit may receive
407.3 and expend reimbursements for services
407.4 performed by other agencies.

407.5 **Administrative Services Unit - Volunteer**
407.6 **Health Care Provider Program.** Of this
407.7 appropriation, \$150,000 in fiscal year 2016
407.8 and \$150,000 in fiscal year 2017 are to pay
407.9 for medical professional liability coverage
407.10 required under Minnesota Statutes, section
407.11 214.40.

407.12 **Administrative Services Unit - Retirement**
407.13 **Costs.** Of this appropriation, \$320,000 in
407.14 fiscal year 2016 is a onetime appropriation
407.15 to the administrative services unit to pay for
407.16 the retirement costs of health-related board
407.17 employees. This funding may be transferred
407.18 to the health board incurring the retirement
407.19 costs. These funds are available either year
407.20 of the biennium.

407.21 **Administrative Services Unit - Contested**
407.22 **Cases and Other Legal Proceedings.** Of
407.23 this appropriation, \$200,000 in fiscal year
407.24 2016 and \$200,000 in fiscal year 2017 are
407.25 for costs of contested case hearings and other
407.26 unanticipated costs of legal proceedings
407.27 involving health-related boards funded
407.28 under this section. Upon certification by a
407.29 health-related board to the administrative
407.30 services unit that the costs will be incurred
407.31 and that there is insufficient money available
407.32 to pay for the costs out of money currently
407.33 available to that board, the administrative
407.34 services unit is authorized to transfer money
407.35 from this appropriation to the board for

408.1 payment of those costs with the approval
 408.2 of the commissioner of management and
 408.3 budget.

408.4 Subd. 9. **Board of Optometry** 138,000 143,000

408.5 Subd. 10. **Board of Pharmacy** 2,847,000 2,888,000

408.6 Subd. 11. **Board of Physical Therapy** 354,000 359,000

408.7 Subd. 12. **Board of Podiatry** 78,000 79,000

408.8 Subd. 13. **Board of Psychology** 874,000 884,000

408.9 Subd. 14. **Board of Social Work** 1,141,000 1,155,000

408.10 Subd. 15. **Board of Veterinary Medicine** 262,000 265,000

408.11 Subd. 16. **Board of Behavioral Health and**
 408.12 **Therapy** 480,000 486,000

408.13 Sec. 5. **EMERGENCY MEDICAL SERVICES**

408.14 **REGULATORY BOARD** \$ 2,773,000 \$ 2,772,000

408.15 **Regional Grants.** \$585,000 in fiscal year
 408.16 2016 and \$585,000 in fiscal year 2017 are
 408.17 for regional emergency medical services
 408.18 programs, to be distributed equally to the
 408.19 eight emergency medical service regions.

408.20 **Cooper/Sams Volunteer Ambulance**
 408.21 **Program.** (a) \$700,000 in fiscal year 2016
 408.22 and \$700,000 in fiscal year 2017 are for the
 408.23 Cooper/Sams volunteer ambulance program
 408.24 under Minnesota Statutes, section 144E.40.

408.25 (b) Of this amount, \$611,000 in fiscal year
 408.26 2016 and \$611,000 in fiscal year 2017
 408.27 are for the ambulance service personnel
 408.28 longevity award and incentive program under
 408.29 Minnesota Statutes, section 144E.40.

408.30 (c) Of this amount, \$89,000 in fiscal year
 408.31 2016 and \$89,000 in fiscal year 2017 are
 408.32 for the operations of the ambulance service
 408.33 personnel longevity award and incentive

409.1 program under Minnesota Statutes, section
 409.2 144E.40.

409.3 **Ambulance Training Grants.** \$361,000 in
 409.4 fiscal year 2016 and \$361,000 in fiscal year
 409.5 2017 are for training grants.

409.6 **EMSRB Board Operations.** \$1,095,000 in
 409.7 fiscal year 2016 and \$1,095,000 in fiscal year
 409.8 2017 are for board operations.

409.9 Sec. 6. **COUNCIL ON DISABILITY** \$ **795,000** \$ **761,000**

409.10 (a) \$69,000 each fiscal year is for one
 409.11 full-time equivalent to coordinate the
 409.12 Minnesota State Council on Disability's
 409.13 communication with the disability
 409.14 community.

409.15 (b) \$78,000 in fiscal years 2016 and 2017 is
 409.16 from the general fund to provide consultation
 409.17 services to state agencies, developers, and
 409.18 the public regarding compliance with the
 409.19 State Building Code and the Americans with
 409.20 Disabilities Act.

409.21 (c) \$30,000 in fiscal year 2016 is for a
 409.22 computer system upgrade and installation
 409.23 to track agency performance and services
 409.24 provided to the public.

409.25 Sec. 7. **OMBUDSMAN FOR MENTAL**
 409.26 **HEALTH AND DEVELOPMENTAL**
 409.27 **DISABILITIES** \$ **1,829,000** \$ **1,854,000**

409.28 Sec. 8. **OMBUDSPERSONS FOR FAMILIES** \$ **334,000** \$ **334,000**

409.29 Sec. 9. **COMMISSIONER OF COMMERCE** \$ **210,000** \$ **213,000**

409.30 The commissioner of commerce shall
 409.31 use existing grants issued by the federal
 409.32 government for the exchange to establish

410.1 a federally facilitated exchange as required
410.2 under article 3, section 24.

410.3 Sec. 10. **APPROPRIATION.**

410.4 \$196,000,000 is appropriated in fiscal year 2015 from the general fund to the
410.5 commissioner of human services for transfer to the health care access fund. These funds
410.6 do not cancel until June 30, 2017. Notwithstanding any law to the contrary, these funds
410.7 are not subject to transfer.

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

410.9 Sec. 11. Minnesota Statutes 2014, section 256.01, is amended by adding a subdivision
410.10 to read:

410.11 Subd. 40. **Nonfederal share transfers.** The nonfederal share of activities for
410.12 which federal administrative reimbursement is appropriated to the commissioner may
410.13 be transferred to the special revenue fund.

410.14 Sec. 12. **TRANSFERS.**

410.15 Subdivision 1. **Grants.** The commissioner of human services, with the approval of
410.16 the commissioner of management and budget, may transfer unencumbered appropriation
410.17 balances for the biennium ending June 30, 2017, within fiscal years among the MFIP,
410.18 general assistance, general assistance medical care under Minnesota Statutes 2009
410.19 Supplement, section 256D.03, subdivision 3, medical assistance, MinnesotaCare, MFIP
410.20 child care assistance under Minnesota Statutes, section 119B.05, Minnesota supplemental
410.21 aid, and group residential housing programs, the entitlement portion of Northstar Care
410.22 for Children under Minnesota Statutes, chapter 256N, and the entitlement portion of
410.23 the chemical dependency consolidated treatment fund, and between fiscal years of the
410.24 biennium. The commissioner shall inform the chairs and ranking minority members of
410.25 the senate Health and Human Services Finance Division and the house of representatives
410.26 Health and Human Services Finance Committee quarterly about transfers made under
410.27 this subdivision.

410.28 Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative
410.29 money may be transferred within the Departments of Health and Human Services as the
410.30 commissioners consider necessary, with the advance approval of the commissioner of
410.31 management and budget. The commissioner shall inform the chairs and ranking minority
410.32 members of the senate Health and Human Services Finance Division and the house of

411.1 representatives Health and Human Services Finance Committee quarterly about transfers
411.2 made under this subdivision.

411.3 Sec. 13. **INDIRECT COSTS NOT TO FUND PROGRAMS.**

411.4 The commissioners of health and human services shall not use indirect cost
411.5 allocations to pay for the operational costs of any program for which they are responsible.

411.6 Sec. 14. **EXPIRATION OF UNCODIFIED LANGUAGE.**

411.7 All uncodified language contained in this article expires on June 30, 2017, unless a
411.8 different expiration date is explicit.

411.9 Sec. 15. **EFFECTIVE DATE.**

411.10 This article is effective July 1, 2015, unless a different effective date is specified.

APPENDIX
Article locations in UES1458-1

ARTICLE 1	HEALTH CARE	Page.Ln 3.5
ARTICLE 2	MINNESOTACARE	Page.Ln 54.25
ARTICLE 3	MNSURE	Page.Ln 67.10
ARTICLE 4	CONTINUING CARE	Page.Ln 80.26
	NURSING FACILITY PAYMENT REFORM AND WORKFORCE	
ARTICLE 5	DEVELOPMENT	Page.Ln 136.8
ARTICLE 6	PUBLIC HEALTH AND HEALTH CARE DELIVERY	Page.Ln 176.1
ARTICLE 7	CHILDREN AND FAMILY SERVICES	Page.Ln 199.3
ARTICLE 8	CHEMICAL AND MENTAL HEALTH	Page.Ln 290.21
ARTICLE 9	DIRECT CARE AND TREATMENT	Page.Ln 307.1
ARTICLE 10	WITHDRAWAL MANAGEMENT PROGRAMS	Page.Ln 310.1
ARTICLE 11	HEALTH-RELATED LICENSING BOARDS	Page.Ln 333.18
ARTICLE 12	PUBLIC ASSISTANCE SIMPLIFICATION	Page.Ln 364.28
ARTICLE 13	HUMAN SERVICES FORECAST ADJUSTMENTS	Page.Ln 384.2
ARTICLE 14	HEALTH AND HUMAN SERVICES APPROPRIATIONS	Page.Ln 385.10

13.461 HUMAN SERVICES DATA CODED ELSEWHERE.

Subd. 26. **MinnesotaCare.** Data sharing with other government agencies that is needed to verify income for eligibility and premium payment is governed by section 256L.05.

13D.08 OPEN MEETING LAW CODED ELSEWHERE.

Subd. 5a. **MNsure.** Meetings of MNsure are governed by section 62V.03, subdivision 2.

16A.724 HEALTH CARE ACCESS FUND.

Subd. 3. **MinnesotaCare federal receipts.** All federal funding received by Minnesota for implementation and administration of MinnesotaCare as a basic health program, as authorized in section 1331 of the Affordable Care Act, Public Law 111-148, as amended by Public Law 111-152, is appropriated to the commissioner of human services to be used only for the MinnesotaCare program under chapter 256L. Federal funding that is received for implementing and administering MinnesotaCare as a basic health program shall be used only for that program to purchase health care coverage for enrollees and reduce enrollee premiums and cost-sharing or provide additional enrollee benefits.

62A.046 COORDINATION OF BENEFITS.

Subd. 5. **Payment recovery.** The commissioner of human services shall recover payments made by the MinnesotaCare program from the responsible insurer, for services provided by the MinnesotaCare program and covered by the policy or plan of health insurance.

62V.01 TITLE.

This chapter may be cited as the "MNsure Act."

62V.02 DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of this chapter, the following terms have the meanings given.

Subd. 2. **Board.** "Board" means the Board of Directors of MNsure specified in section 62V.04.

Subd. 3. **Dental plan.** "Dental plan" has the meaning defined in section 62Q.76, subdivision 3.

Subd. 4. **Health plan.** "Health plan" means a policy, contract, certificate, or agreement defined in section 62A.011, subdivision 3.

Subd. 5. **Health carrier.** "Health carrier" has the meaning defined in section 62A.011.

Subd. 6. **Individual market.** "Individual market" means the market for health insurance coverage offered to individuals.

Subd. 7. **Insurance producer.** "Insurance producer" has the meaning defined in section 60K.31.

Subd. 8. **MNsure.** "MNsure" means the state health benefit exchange as described in section 1311 of the federal Patient Protection and Affordable Care Act, Public Law 111-148, and further defined through amendments to the act and regulations issued under the act.

Subd. 9. **Navigator.** "Navigator" has the meaning described in section 1311(i) of the federal Patient Protection and Affordable Care Act, Public Law 111-148, and further defined through amendments to the act and regulations issued under the act.

Subd. 10. **Public health care program.** "Public health care program" means any public health care program administered by the commissioner of human services.

Subd. 11. **Qualified health plan.** "Qualified health plan" means a health plan that meets the definition in section 1301(a) of the Affordable Care Act, Public Law 111-148, and has been certified by the board in accordance with section 62V.05, subdivision 5, to be offered through MNsure.

Subd. 12. **Small group market.** "Small group market" means the market for health insurance coverage offered to small employers as defined in section 62L.02, subdivision 26.

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Subd. 13. **Web site.** "Web site" means a site maintained on the World Wide Web by MNsure that allows for access to information and services provided by MNsure.

62V.03 MNSURE; ESTABLISHMENT.

Subdivision 1. **Creation.** MNsure is created as a board under section 15.012, paragraph (a), to:

- (1) promote informed consumer choice, innovation, competition, quality, value, market participation, affordability, suitable and meaningful choices, health improvement, care management, reduction of health disparities, and portability of health plans;
- (2) facilitate and simplify the comparison, choice, enrollment, and purchase of health plans for individuals purchasing in the individual market through MNsure and for employees and employers purchasing in the small group market through MNsure;
- (3) assist small employers with access to small business health insurance tax credits and to assist individuals with access to public health care programs, premium assistance tax credits and cost-sharing reductions, and certificates of exemption from individual responsibility requirements;
- (4) facilitate the integration and transition of individuals between public health care programs and health plans in the individual or group market and develop processes that, to the maximum extent possible, provide for continuous coverage; and
- (5) establish and modify as necessary a name and brand for MNsure based on market studies that show maximum effectiveness in attracting the uninsured and motivating them to take action.

Subd. 2. **Application of other law.** (a) MNsure must be reviewed by the legislative auditor under section 3.971. The legislative auditor shall audit the books, accounts, and affairs of MNsure once each year or less frequently as the legislative auditor's funds and personnel permit. Upon the audit of the financial accounts and affairs of MNsure, MNsure is liable to the state for the total cost and expenses of the audit, including the salaries paid to the examiners while actually engaged in making the examination. The legislative auditor may bill MNsure either monthly or at the completion of the audit. All collections received for the audits must be deposited in the general fund and are appropriated to the legislative auditor. Pursuant to section 3.97, subdivision 3a, the Legislative Audit Commission is requested to direct the legislative auditor to report by March 1, 2014, to the legislature on any duplication of services that occurs within state government as a result of the creation of MNsure. The legislative auditor may make recommendations on consolidating or eliminating any services deemed duplicative. The board shall reimburse the legislative auditor for any costs incurred in the creation of this report.

(b) Board members of MNsure are subject to sections 10A.07 and 10A.09. Board members and the personnel of MNsure are subject to section 10A.071.

(c) All meetings of the board shall comply with the open meeting law in chapter 13D, except that:

- (1) meetings, or portions of meetings, regarding compensation negotiations with the director or managerial staff may be closed in the same manner and according to the same procedures identified in section 13D.03;
- (2) meetings regarding contract negotiation strategy may be closed in the same manner and according to the same procedures identified in section 13D.05, subdivision 3, paragraph (c); and
- (3) meetings, or portions of meetings, regarding not public data described in section 62V.06, subdivision 3, and regarding trade secret information as defined in section 13.37, subdivision 1, paragraph (b), are closed to the public, but must otherwise comply with the procedures identified in chapter 13D.

(d) MNsure and provisions specified under this chapter are exempt from:

- (1) chapter 14, including section 14.386, except as specified in section 62V.05; and
- (2) chapters 16B and 16C, with the exception of sections 16C.08, subdivision 2, paragraph (b), clauses (1) to (8); 16C.086; 16C.09, paragraph (a), clauses (1) and (3), paragraph (b), and paragraph (c); and section 16C.16. However, MNsure, in consultation with the commissioner of administration, shall implement policies and procedures to establish an open and competitive procurement process for MNsure that, to the extent practicable, conforms to the principles and procedures contained in chapters 16B and 16C. In addition, MNsure may enter into an agreement with the commissioner of administration for other services.

(e) The board and the Web site are exempt from chapter 60K. Any employee of MNsure who sells, solicits, or negotiates insurance to individuals or small employers must be licensed as an insurance producer under chapter 60K.

(f) Section 3.3005 applies to any federal funds received by MNsure.

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(g) MNsure is exempt from the following sections in chapter 16E: 16E.01, subdivision 3, paragraph (b); 16E.03, subdivisions 3 and 4; 16E.04, subdivision 1, subdivision 2, paragraph (c), and subdivision 3, paragraph (b); 16E.0465; 16E.055; 16E.145; 16E.15; 16E.16; 16E.17; 16E.18; and 16E.22.

(h) A MNsure decision that requires a vote of the board, other than a decision that applies only to hiring of employees or other internal management of MNsure, is an "administrative action" under section 10A.01, subdivision 2.

Subd. 3. Continued operation of a private marketplace. (a) Nothing in this chapter shall be construed to prohibit: (1) a health carrier from offering outside of MNsure a health plan to a qualified individual or qualified employer; and (2) a qualified individual from enrolling in, or a qualified employer from selecting for its employees, a health plan offered outside of MNsure.

(b) Nothing in this chapter shall be construed to restrict the choice of a qualified individual to enroll or not enroll in a qualified health plan or to participate in MNsure. Nothing in this chapter shall be construed to compel an individual to enroll in a qualified health plan or to participate in MNsure.

(c) For purposes of this subdivision, "qualified individual" and "qualified employer" have the meanings given in section 1312 of the Affordable Care Act, Public Law 111-148, and further defined through amendments to the act and regulations issued under the act.

62V.04 GOVERNANCE.

Subdivision 1. Board. MNsure is governed by a board of directors with seven members.

Subd. 2. Appointment. (a) Board membership of MNsure consists of the following:

(1) three members appointed by the governor with the advice and consent of both the senate and the house of representatives acting separately in accordance with paragraph (d), with one member representing the interests of individual consumers eligible for individual market coverage, one member representing individual consumers eligible for public health care program coverage, and one member representing small employers. Members are appointed to serve four-year terms following the initial staggered-term lot determination;

(2) three members appointed by the governor with the advice and consent of both the senate and the house of representatives acting separately in accordance with paragraph (d) who have demonstrated expertise, leadership, and innovation in the following areas: one member representing the areas of health administration, health care finance, health plan purchasing, and health care delivery systems; one member representing the areas of public health, health disparities, public health care programs, and the uninsured; and one member representing health policy issues related to the small group and individual markets. Members are appointed to serve four-year terms following the initial staggered-term lot determination; and

(3) the commissioner of human services or a designee.

(b) Section 15.0597 shall apply to all appointments, except for the commissioner.

(c) The governor shall make appointments to the board that are consistent with federal law and regulations regarding its composition and structure. All board members appointed by the governor must be legal residents of Minnesota.

(d) Upon appointment by the governor, a board member shall exercise duties of office immediately. If both the house of representatives and the senate vote not to confirm an appointment, the appointment terminates on the day following the vote not to confirm in the second body to vote.

(e) Initial appointments shall be made by April 30, 2013.

(f) One of the six members appointed under paragraph (a), clause (1) or (2), must have experience in representing the needs of vulnerable populations and persons with disabilities.

(g) Membership on the board must include representation from outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2.

Subd. 3. Terms. (a) Board members may serve no more than two consecutive terms, except for the commissioner or the commissioner's designee, who shall serve until replaced by the governor.

(b) A board member may resign at any time by giving written notice to the board.

(c) The appointed members under subdivision 2, paragraph (a), clauses (1) and (2), shall have an initial term of two, three, or four years, determined by lot by the secretary of state.

Subd. 4. Conflicts of interest. (a) Within one year prior to or at any time during their appointed term, board members appointed under subdivision 2, paragraph (a), clauses (1) and (2), shall not be employed by, be a member of the board of directors of, or otherwise be a representative of a health carrier, institutional health care provider or other entity providing health care, navigator, insurance producer, or other entity in the business of selling items or services of

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significant value to or through MNsure. For purposes of this paragraph, "health care provider or entity" does not include an academic institution.

(b) Board members must recuse themselves from discussion of and voting on an official matter if the board member has a conflict of interest. A conflict of interest means an association including a financial or personal association that has the potential to bias or have the appearance of biasing a board member's decisions in matters related to MNsure or the conduct of activities under this chapter.

(c) No board member shall have a spouse who is an executive of a health carrier.

(d) No member of the board may currently serve as a lobbyist, as defined under section 10A.01, subdivision 21.

Subd. 5. **Acting chair; first meeting; supervision.** (a) The governor shall designate as acting chair one of the appointees described in subdivision 2.

(b) The board shall hold its first meeting within 60 days of enactment.

(c) The board shall elect a chair to replace the acting chair at the first meeting.

Subd. 6. **Chair.** The board shall have a chair, elected by a majority of members. The chair shall serve for one year.

Subd. 7. **Officers.** The members of the board shall elect officers by a majority of members. The officers shall serve for one year.

Subd. 8. **Vacancies.** If a vacancy occurs, the governor shall appoint a new member within 90 days, and the newly appointed member shall be subject to the same confirmation process described in subdivision 2.

Subd. 9. **Removal.** (a) A board member may be removed by the appointing authority and a majority vote of the board following notice and hearing before the board. For purposes of this subdivision, the appointing authority or a designee of the appointing authority shall be a voting member of the board for purposes of constituting a quorum.

(b) A conflict of interest as defined in subdivision 4, shall be cause for removal from the board.

Subd. 10. **Meetings.** The board shall meet at least quarterly.

Subd. 11. **Quorum.** A majority of the members of the board constitutes a quorum, and the affirmative vote of a majority of members of the board is necessary and sufficient for action taken by the board.

Subd. 12. **Compensation.** (a) The board members shall be paid a salary not to exceed the salary limits established under section 15A.0815, subdivision 4. The salary for board members shall be set in accordance with this subdivision and section 15A.0815, subdivision 5. This paragraph expires December 31, 2015.

(b) Beginning January 1, 2016, the board members may be compensated in accordance with section 15.0575.

Subd. 13. **Advisory committees.** (a) The board shall establish and maintain advisory committees to provide insurance producers, health care providers, the health care industry, consumers, and other stakeholders with the opportunity to advise the board regarding the operation of MNsure as required under section 1311(d)(6) of the Affordable Care Act, Public Law 111-148. The board shall regularly consult with the advisory committees. The advisory committees established under this paragraph shall not expire.

(b) The board may establish additional advisory committees, as necessary, to gather and provide information to the board in order to facilitate the operation of MNsure. The advisory committees established under this paragraph shall not expire, except by action of the board.

(c) Section 15.0597 shall not apply to any advisory committee established by the board under this subdivision.

(d) The board may provide compensation and expense reimbursement under section 15.059, subdivision 3, to members of the advisory committees.

62V.05 RESPONSIBILITIES AND POWERS OF MNSURE.

Subdivision 1. **General.** (a) The board shall operate MNsure according to this chapter and applicable state and federal law.

(b) The board has the power to:

(1) employ personnel and delegate administrative, operational, and other responsibilities to the director and other personnel as deemed appropriate by the board. This authority is subject to chapters 43A and 179A. The director and managerial staff of MNsure shall serve in the unclassified service and shall be governed by a compensation plan prepared by the board, submitted to the commissioner of management and budget for review and comment within 14

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days of its receipt, and approved by the Legislative Coordinating Commission and the legislature under section 3.855, except that section 15A.0815, subdivision 5, paragraph (e), shall not apply;

(2) establish the budget of MNsure;

(3) seek and accept money, grants, loans, donations, materials, services, or advertising revenue from government agencies, philanthropic organizations, and public and private sources to fund the operation of MNsure. No health carrier or insurance producer shall advertise on MNsure;

(4) contract for the receipt and provision of goods and services;

(5) enter into information-sharing agreements with federal and state agencies and other entities, provided the agreements include adequate protections with respect to the confidentiality and integrity of the information to be shared, and comply with all applicable state and federal laws, regulations, and rules, including the requirements of section 62V.06; and

(6) exercise all powers reasonably necessary to implement and administer the requirements of this chapter and the Affordable Care Act, Public Law 111-148.

(c) The board shall establish policies and procedures to gather public comment and provide public notice in the State Register.

(d) Within 180 days of enactment, the board shall establish bylaws, policies, and procedures governing the operations of MNsure in accordance with this chapter.

Subd. 2. **Operations funding.** (a) Prior to January 1, 2015, MNsure shall retain or collect up to 1.5 percent of total premiums for individual and small group market health plans and dental plans sold through MNsure to fund the cash reserves of MNsure, but the amount collected shall not exceed a dollar amount equal to 25 percent of the funds collected under section 62E.11, subdivision 6, for calendar year 2012.

(b) Beginning January 1, 2015, MNsure shall retain or collect up to 3.5 percent of total premiums for individual and small group market health plans and dental plans sold through MNsure to fund the operations of MNsure, but the amount collected shall not exceed a dollar amount equal to 50 percent of the funds collected under section 62E.11, subdivision 6, for calendar year 2012.

(c) Beginning January 1, 2016, MNsure shall retain or collect up to 3.5 percent of total premiums for individual and small group market health plans and dental plans sold through MNsure to fund the operations of MNsure, but the amount collected may never exceed a dollar amount greater than 100 percent of the funds collected under section 62E.11, subdivision 6, for calendar year 2012.

(d) For fiscal years 2014 and 2015, the commissioner of management and budget is authorized to provide cash flow assistance of up to \$20,000,000 from the special revenue fund or the statutory general fund under section 16A.671, subdivision 3, paragraph (a), to MNsure. Any funds provided under this paragraph shall be repaid, with interest, by June 30, 2015.

(e) Funding for the operations of MNsure shall cover any compensation provided to navigators participating in the navigator program.

Subd. 3. **Insurance producers.** (a) By April 30, 2013, the board, in consultation with the commissioner of commerce, shall establish certification requirements that must be met by insurance producers in order to assist individuals and small employers with purchasing coverage through MNsure. Prior to January 1, 2015, the board may amend the requirements, only if necessary, due to a change in federal rules.

(b) Certification requirements shall not exceed the requirements established under Code of Federal Regulations, title 45, part 155.220. Certification shall include training on health plans available through MNsure, available tax credits and cost-sharing arrangements, compliance with privacy and security standards, eligibility verification processes, online enrollment tools, and basic information on available public health care programs. Training required for certification under this subdivision shall qualify for continuing education requirements for insurance producers required under chapter 60K, and must comply with course approval requirements under chapter 45.

(c) Producer compensation shall be established by health carriers that provide health plans through MNsure. The structure of compensation to insurance producers must be similar for health plans sold through MNsure and outside MNsure.

(d) Any insurance producer compensation structure established by a health carrier for the small group market must include compensation for defined contribution plans that involve multiple health carriers. The compensation offered must be commensurate with other small group market defined health plans.

(e) Any insurance producer assisting an individual or small employer with purchasing coverage through MNsure must disclose, orally and in writing, to the individual or small employer at the time of the first solicitation with the prospective purchaser the following:

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(1) the health carriers and qualified health plans offered through MNsure that the producer is authorized to sell, and that the producer may not be authorized to sell all the qualified health plans offered through MNsure;

(2) that the producer may be receiving compensation from a health carrier for enrolling the individual or small employer into a particular health plan; and

(3) that information on all qualified health plans offered through MNsure is available through the MNsure Web site.

For purposes of this paragraph, "solicitation" means any contact by a producer, or any person acting on behalf of a producer made for the purpose of selling or attempting to sell coverage through MNsure. If the first solicitation is made by telephone, the disclosures required under this paragraph need not be made in writing, but the fact that disclosure has been made must be acknowledged on the application.

(f) Beginning January 15, 2015, each health carrier that offers or sells qualified health plans through MNsure shall report in writing to the board and the commissioner of commerce the compensation and other incentives it offers or provides to insurance producers with regard to each type of health plan the health carrier offers or sells both inside and outside of MNsure. Each health carrier shall submit a report annually and upon any change to the compensation or other incentives offered or provided to insurance producers.

(g) Nothing in this chapter shall prohibit an insurance producer from offering professional advice and recommendations to a small group purchaser based upon information provided to the producer.

(h) An insurance producer that offers health plans in the small group market shall notify each small group purchaser of which group health plans qualify for Internal Revenue Service approved section 125 tax benefits. The insurance producer shall also notify small group purchasers of state law provisions that benefit small group plans when the employer agrees to pay 50 percent or more of its employees' premium. Individuals who are eligible for cost-effective medical assistance will count toward the 75 percent participation requirement in section 62L.03, subdivision 3.

(i) Nothing in this subdivision shall be construed to limit the licensure requirements or regulatory functions of the commissioner of commerce under chapter 60K.

Subd. 4. Navigator; in-person assisters; call center. (a) The board shall establish policies and procedures for the ongoing operation of a navigator program, in-person assister program, call center, and customer service provisions for MNsure to be implemented beginning January 1, 2015.

(b) Until the implementation of the policies and procedures described in paragraph (a), the following shall be in effect:

(1) the navigator program shall be met by section 256.962;

(2) entities eligible to be navigators, including entities defined in Code of Federal Regulations, title 45, part 155.210 (c)(2), may serve as in-person assisters;

(3) the board shall establish requirements and compensation for the navigator program and the in-person assister program by April 30, 2013. Compensation for navigators and in-person assisters must take into account any other compensation received by the navigator or in-person assister for conducting the same or similar services; and

(4) call center operations shall utilize existing state resources and personnel, including referrals to counties for medical assistance.

(c) The board shall establish a toll-free number for MNsure and may hire and contract for additional resources as deemed necessary.

(d) The navigator program and in-person assister program must meet the requirements of section 1311(i) of the Affordable Care Act, Public Law 111-148. In establishing training standards for the navigators and in-person assisters, the board must ensure that all entities and individuals carrying out navigator and in-person assister functions have training in the needs of underserved and vulnerable populations; eligibility and enrollment rules and procedures; the range of available public health care programs and qualified health plan options offered through MNsure; and privacy and security standards. For calendar year 2014, the commissioner of human services shall ensure that the navigator program under section 256.962 provides application assistance for both qualified health plans offered through MNsure and public health care programs.

(e) The board must ensure that any information provided by navigators, in-person assisters, the call center, or other customer assistance portals be accessible to persons with disabilities and that information provided on public health care programs include information on other coverage options available to persons with disabilities.

Subd. 5. Health carrier and health plan requirements; participation. (a) Beginning January 1, 2015, the board may establish certification requirements for health carriers and health

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plans to be offered through MNsure that satisfy federal requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148.

(b) Paragraph (a) does not apply if by June 1, 2013, the legislature enacts regulatory requirements that:

- (1) apply uniformly to all health carriers and health plans in the individual market;
- (2) apply uniformly to all health carriers and health plans in the small group market; and
- (3) satisfy minimum federal certification requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148.

(c) In accordance with section 1311(e) of the Affordable Care Act, Public Law 111-148, the board shall establish policies and procedures for certification and selection of health plans to be offered as qualified health plans through MNsure. The board shall certify and select a health plan as a qualified health plan to be offered through MNsure, if:

- (1) the health plan meets the minimum certification requirements established in paragraph (a) or the market regulatory requirements in paragraph (b);
- (2) the board determines that making the health plan available through MNsure is in the interest of qualified individuals and qualified employers;
- (3) the health carrier applying to offer the health plan through MNsure also applies to offer health plans at each actuarial value level and service area that the health carrier currently offers in the individual and small group markets; and
- (4) the health carrier does not apply to offer health plans in the individual and small group markets through MNsure under a separate license of a parent organization or holding company under section 60D.15, that is different from what the health carrier offers in the individual and small group markets outside MNsure.

(d) In determining the interests of qualified individuals and employers under paragraph (c), clause (2), the board may not exclude a health plan for any reason specified under section 1311(e)(1)(B) of the Affordable Care Act, Public Law 111-148. The board may consider:

- (1) affordability;
- (2) quality and value of health plans;
- (3) promotion of prevention and wellness;
- (4) promotion of initiatives to reduce health disparities;
- (5) market stability and adverse selection;
- (6) meaningful choices and access;
- (7) alignment and coordination with state agency and private sector purchasing strategies and payment reform efforts; and
- (8) other criteria that the board determines appropriate.

(e) For qualified health plans offered through MNsure on or after January 1, 2015, the board shall establish policies and procedures under paragraphs (c) and (d) for selection of health plans to be offered as qualified health plans through MNsure by February 1 of each year, beginning February 1, 2014. The board shall consistently and uniformly apply all policies and procedures and any requirements, standards, or criteria to all health carriers and health plans. For any policies, procedures, requirements, standards, or criteria that are defined as rules under section 14.02, subdivision 4, the board may use the process described in subdivision 9.

(f) For 2014, the board shall not have the power to select health carriers and health plans for participation in MNsure. The board shall permit all health plans that meet the certification requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148, to be offered through MNsure.

(g) Under this subdivision, the board shall have the power to verify that health carriers and health plans are properly certified to be eligible for participation in MNsure.

(h) The board has the authority to decertify health carriers and health plans that fail to maintain compliance with section 1311(c)(1) of the Affordable Care Act, Public Law 111-148.

(i) For qualified health plans offered through MNsure beginning January 1, 2015, health carriers must use the most current addendum for Indian health care providers approved by the Centers for Medicare and Medicaid Services and the tribes as part of their contracts with Indian health care providers. MNsure shall comply with all future changes in federal law with regard to health coverage for the tribes.

Subd. 6. **Appeals.** (a) The board may conduct hearings, appoint hearing officers, and recommend final orders related to appeals of any MNsure determinations, except for those determinations identified in paragraph (d). An appeal by a health carrier regarding a specific certification or selection determination made by MNsure under subdivision 5 must be conducted as a contested case proceeding under chapter 14, with the report or order of the administrative law judge constituting the final decision in the case, subject to judicial review under sections 14.63 to 14.69. For other appeals, the board shall establish hearing processes which provide for a

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reasonable opportunity to be heard and timely resolution of the appeal and which are consistent with the requirements of federal law and guidance. An appealing party may be represented by legal counsel at these hearings, but this is not a requirement.

(b) MNsure may establish service-level agreements with state agencies to conduct hearings for appeals. Notwithstanding section 471.59, subdivision 1, a state agency is authorized to enter into service-level agreements for this purpose with MNsure.

(c) For proceedings under this subdivision, MNsure may be represented by an attorney who is an employee of MNsure.

(d) This subdivision does not apply to appeals of determinations where a state agency hearing is available under section 256.045.

Subd. 7. **Agreements; consultation.** (a) The board shall:

(1) establish and maintain an agreement with the chief information officer of the Office of MN.IT Services for information technology services that ensures coordination with public health care programs. The board may establish and maintain agreements with the chief information officer of the Office of MN.IT Services for other information technology services, including an agreement that would permit MNsure to administer eligibility for additional health care and public assistance programs under the authority of the commissioner of human services;

(2) establish and maintain an agreement with the commissioner of human services for cost allocation and services regarding eligibility determinations and enrollment for public health care programs that use a modified adjusted gross income standard to determine program eligibility. The board may establish and maintain an agreement with the commissioner of human services for other services;

(3) establish and maintain an agreement with the commissioners of commerce and health for services regarding enforcement of MNsure certification requirements for health plans and dental plans offered through MNsure. The board may establish and maintain agreements with the commissioners of commerce and health for other services; and

(4) establish interagency agreements to transfer funds to other state agencies for their costs related to implementing and operating MNsure, excluding medical assistance allocatable costs.

(b) The board shall consult with the commissioners of commerce and health regarding the operations of MNsure.

(c) The board shall consult with Indian tribes and organizations regarding the operation of MNsure.

(d) Beginning March 15, 2014, and each March 15 thereafter, the board shall submit a report to the chairs and ranking minority members of the committees in the senate and house of representatives with primary jurisdiction over commerce, health, and human services on all the agreements entered into with the chief information officer of the Office of MN.IT Services, or the commissioners of human services, health, or commerce in accordance with this subdivision. The report shall include the agency in which the agreement is with; the time period of the agreement; the purpose of the agreement; and a summary of the terms of the agreement. A copy of the agreement must be submitted to the extent practicable.

Subd. 8. **Rulemaking.** (a) If the board's policies, procedures, or other statements are rules, as defined in section 14.02, subdivision 4, the requirements in either paragraph (b) or (c) apply, as applicable.

(b) Effective upon enactment until January 1, 2015:

(1) the board shall publish notice of proposed rules in the State Register after complying with section 14.07, subdivision 2;

(2) interested parties have 21 days to comment on the proposed rules. The board must consider comments it receives. After the board has considered all comments and has complied with section 14.07, subdivision 2, the board shall publish notice of the final rule in the State Register;

(3) if the adopted rules are the same as the proposed rules, the notice shall state that the rules have been adopted as proposed and shall cite the prior publication. If the adopted rules differ from the proposed rules, the portions of the adopted rules that differ from the proposed rules shall be included in the notice of adoption, together with a citation to the prior State Register that contained the notice of the proposed rules; and

(4) rules published in the State Register before January 1, 2014, take effect upon publication of the notice. Rules published in the State Register on and after January 1, 2014, take effect 30 days after publication of the notice.

(c) Beginning January 1, 2015, the board may adopt rules to implement any provisions in this chapter using the expedited rulemaking process in section 14.389.

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(d) The notice of proposed rules required in paragraph (b) must provide information as to where the public may obtain a copy of the rules. The board shall post the proposed rules on the MNsure Web site at the same time the notice is published in the State Register.

Subd. 9. **Dental plans.** (a) The provisions of this section that apply to health plans shall apply to dental plans offered as stand-alone dental plans through MNsure, to the extent practicable.

(b) A stand-alone dental plan offered through MNsure must meet all certification requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148, that are applicable to health plans, except for certification requirements that cannot be met because the dental plan only covers dental benefits.

Subd. 10. **Limitations; risk-bearing.** (a) The board shall not bear insurance risk or enter into any agreement with health care providers to pay claims.

(b) Nothing in this subdivision shall prevent MNsure from providing insurance for its employees.

62V.06 DATA PRACTICES.

Subdivision 1. **Applicability.** MNsure is a state agency for purposes of the Minnesota Government Data Practices Act and is subject to all provisions of chapter 13, in addition to the requirements contained in this section.

Subd. 2. **Definitions.** As used in this section:

(1) "individual" means an individual according to section 13.02, subdivision 8, but does not include a vendor of services; and

(2) "participating" means that an individual, employee, or employer is seeking, or has sought an eligibility determination, enrollment processing, or premium processing through MNsure.

Subd. 3. **General data classifications.** The following data collected, created, or maintained by MNsure are classified as private data on individuals, as defined in section 13.02, subdivision 12, or nonpublic data, as defined in section 13.02, subdivision 9:

(1) data on any individual participating in MNsure;

(2) data on any individuals participating in MNsure as employees of an employer participating in MNsure; and

(3) data on employers participating in MNsure.

Subd. 4. **Application and certification data.** (a) Data submitted by an insurance producer in an application for certification to sell a health plan through MNsure, or submitted by an applicant seeking permission or a commission to act as a navigator or in-person assister, are classified as follows:

(1) at the time the application is submitted, all data contained in the application are private data, as defined in section 13.02, subdivision 12, or nonpublic data as defined in section 13.02, subdivision 9, except that the name of the applicant is public; and

(2) upon a final determination related to the application for certification by MNsure, all data contained in the application are public, with the exception of trade secret data as defined in section 13.37.

(b) Data created or maintained by a government entity as part of the evaluation of an application are protected nonpublic data, as defined in section 13.02, subdivision 13, until a final determination as to certification is made and all rights of appeal have been exhausted. Upon a final determination and exhaustion of all rights of appeal, these data are public, with the exception of trade secret data as defined in section 13.37 and data subject to attorney-client privilege or other protection as provided in section 13.393.

(c) If an application is denied, the public data must include the criteria used by the board to evaluate the application and the specific reasons for the denial, and these data must be published on the MNsure Web site.

Subd. 5. **Data sharing.** (a) MNsure may share or disseminate data classified as private or nonpublic in subdivision 3 as follows:

(1) to the subject of the data, as provided in section 13.04;

(2) according to a court order;

(3) according to a state or federal law specifically authorizing access to the data;

(4) with other state or federal agencies, only to the extent necessary to verify the identity of, determine the eligibility of, process premiums for, process enrollment of, or investigate fraud related to an individual, employer, or employee participating in MNsure, provided that MNsure must enter into a data-sharing agreement with the agency prior to sharing data under this clause; and

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(5) with a nongovernmental person or entity, only to the extent necessary to verify the identity of, determine the eligibility of, process premiums for, process enrollment of, or investigate fraud related to an individual, employer, or employee participating in MNsure, provided that MNsure must enter into a contract with the person or entity, as provided in section 13.05, subdivision 6 or 11, prior to disseminating data under this clause.

(b) MNsure may share or disseminate data classified as private or nonpublic in subdivision 4 as follows:

(1) to the subject of the data, as provided in section 13.04;

(2) according to a court order;

(3) according to a state or federal law specifically authorizing access to the data;

(4) with other state or federal agencies, only to the extent necessary to carry out the functions of MNsure, provided that MNsure must enter into a data-sharing agreement with the agency prior to sharing data under this clause; and

(5) with a nongovernmental person or entity, only to the extent necessary to carry out the functions of MNsure, provided that MNsure must enter a contract with the person or entity, as provided in section 13.05, subdivision 6 or 11, prior to disseminating data under this clause.

(c) Sharing or disseminating data outside of MNsure in a manner not authorized by this subdivision is prohibited. The list of authorized dissemination and sharing contained in this subdivision must be included in the Tennessee warning required by section 13.04, subdivision 2.

(d) Until July 1, 2014, state agencies must share data classified as private or nonpublic on individuals, employees, or employers participating in MNsure with MNsure, only to the extent such data are necessary to verify the identity of, determine the eligibility of, process premiums for, process enrollment of, or investigate fraud related to a MNsure participant. The agency must enter into a data-sharing agreement with MNsure prior to sharing any data under this paragraph.

Subd. 6. **Notice and disclosures.** (a) In addition to the Tennessee warning required by section 13.04, subdivision 2, MNsure must provide any data subject asked to supply private data with:

(1) a notice of rights related to the handling of genetic information, pursuant to section 13.386; and

(2) a notice of the records retention policy of MNsure, detailing the length of time MNsure will retain data on the individual and the manner in which it will be destroyed upon expiration of that time.

(b) All notices required by this subdivision, including the Tennessee warning, must be provided in an electronic format suitable for downloading or printing.

Subd. 7. **Summary data.** In addition to creation and disclosure of summary data derived from private data on individuals, as permitted by section 13.05, subdivision 7, MNsure may create and disclose summary data derived from data classified as nonpublic under this section.

Subd. 8. **Access to data; audit trail.** (a) Only individuals with explicit authorization from the board may enter, update, or access not public data collected, created, or maintained by MNsure. The ability of authorized individuals to enter, update, or access data must be limited through the use of role-based access that corresponds to the official duties or training level of the individual, and the statutory authorization that grants access for that purpose. All queries and responses, and all actions in which data are entered, updated, accessed, or shared or disseminated outside of MNsure, must be recorded in a data audit trail. Data contained in the audit trail are public, to the extent that the data are not otherwise classified by this section.

The board shall immediately and permanently revoke the authorization of any individual determined to have willfully entered, updated, accessed, shared, or disseminated data in violation of this section, or any provision of chapter 13. If an individual is determined to have willfully gained access to data without explicit authorization from the board, the board shall forward the matter to the county attorney for prosecution.

(b) This subdivision shall not limit or affect the authority of the legislative auditor to access data needed to conduct audits, evaluations, or investigations of MNsure or the obligation of the board and MNsure employees to comply with section 3.978, subdivision 2.

(c) This subdivision does not apply to actions taken by a MNsure participant to enter, update, or access data held by MNsure, if the participant is the subject of the data that is entered, updated, or accessed.

Subd. 9. **Sale of data prohibited.** MNsure may not sell any data collected, created, or maintained by MNsure, regardless of its classification, for commercial or any other purposes.

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Subd. 10. **Gun and firearm ownership.** MNsure shall not collect information that indicates whether or not an individual owns a gun or has a firearm in the individual's home.

62V.07 FUNDS.

(a) The MNsure account is created in the special revenue fund of the state treasury. All funds received by MNsure shall be deposited in the account. Funds in the account are appropriated to MNsure for the operation of MNsure. Notwithstanding section 11A.20, all investment income and all investment losses attributable to the investment of the MNsure account not currently needed, shall be credited to the MNsure account.

(b) The budget submitted to the legislature under section 16A.11 must include budget information for MNsure.

62V.08 REPORTS.

(a) MNsure shall submit a report to the legislature by January 15, 2015, and each January 15 thereafter, on: (1) the performance of MNsure operations; (2) meeting MNsure responsibilities; (3) an accounting of MNsure budget activities; (4) practices and procedures that have been implemented to ensure compliance with data practices laws, and a description of any violations of data practices laws or procedures; and (5) the effectiveness of the outreach and implementation activities of MNsure in reducing the rate of uninsurance.

(b) MNsure must publish its administrative and operational costs on a Web site to educate consumers on those costs. The information published must include: (1) the amount of premiums and federal premium subsidies collected; (2) the amount and source of revenue received under section 62V.05, subdivision 1, paragraph (b), clause (3); (3) the amount and source of any other fees collected for purposes of supporting operations; and (4) any misuse of funds as identified in accordance with section 3.975. The Web site must be updated at least annually.

62V.09 EXPIRATION AND SUNSET EXCLUSION.

Notwithstanding section 15.059, the board and its advisory committees shall not expire, except as specified in section 62V.04, subdivision 13. The board and its advisory committees are not subject to review or sunseting under chapter 3D.

62V.10 RIGHT NOT TO PARTICIPATE.

Nothing in this chapter infringes on the right of a Minnesota citizen not to participate in MNsure.

62V.11 LEGISLATIVE OVERSIGHT COMMITTEE.

Subdivision 1. **Legislative oversight.** (a) The Legislative Oversight Committee is established to provide oversight to the implementation of this chapter and the operation of MNsure.

(b) The committee shall review the operations of MNsure at least annually and shall recommend necessary changes in policy, implementation, and statutes to the board and to the legislature.

(c) MNsure shall present to the committee the annual report required in section 62V.08, the appeals process under section 62V.05, subdivision 6, and the actions taken regarding the treatment of multiemployer plans.

Subd. 2. **Membership; meetings; compensation.** (a) The Legislative Oversight Committee shall consist of five members of the senate, three members appointed by the majority leader of the senate, and two members appointed by the minority leader of the senate; and five members of the house of representatives, three members appointed by the speaker of the house, and two members appointed by the minority leader of the house of representatives.

(b) Appointed legislative members serve at the pleasure of the appointing authority and shall continue to serve until their successors are appointed.

(c) The first meeting of the committee shall be convened by the chair of the Legislative Coordinating Commission. Members shall elect a chair at the first meeting. The chair must convene at least one meeting annually, and may convene other meetings as deemed necessary.

Subd. 3. **Review of proposed rules.** (a) Prior to the implementation of rules proposed under section 62V.05, subdivision 8, paragraph (b), the board shall submit the proposed rules to the committee at the same time the proposed rules are published in the State Register.

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(b) When the legislature is in session, the rule may be adopted, but, if within ten days of receipt of the proposed rule a majority of the committee members appointed by the senate and a majority of the committee members appointed by the house of representatives request further review of the proposed rule, the rule shall not be effective until the request has been satisfied and withdrawn, the rule is approved in law, or the regular session of the legislature is adjourned for the year.

(c) If the legislature is not in session, the rule may be adopted, but, if within ten days of receipt of the proposed rule a majority of the committee members appointed by the senate and a majority of the committee members appointed by the house of representatives request further review of the proposed rule, the rule shall not be effective until the request has been satisfied and withdrawn, or February 1, whichever occurs first.

Subd. 4. **Review of costs.** The board shall submit for review the annual budget of MNsure for the next fiscal year by March 15 of each year, beginning March 15, 2014.

148.57 LICENSE.

Subd. 3. **Revocation, suspension.** The board may revoke the license or suspend or restrict the right to practice of any person who has been convicted of any violation of sections 148.52 to 148.62 or of any other criminal offense, or who violates any provision of sections 148.571 to 148.576 or who is found by the board to be incompetent or guilty of unprofessional conduct. "Unprofessional conduct" means any conduct of a character likely to deceive or defraud the public, including, among other things, free examination advertising, the loaning of a license by any licensed optometrist to any person; the employment of "cappers" or "steerers" to obtain business; splitting or dividing a fee with any person; the obtaining of any fee or compensation by fraud or misrepresentation; employing directly or indirectly any suspended or unlicensed optometrist to perform any work covered by sections 148.52 to 148.62; the advertising by any means of optometric practice or treatment or advice in which untruthful, improbable, misleading, or impossible statements are made. After one year, upon application and proof that the disqualification has ceased, the board may reinstate such person.

Subd. 4. **Peddling or canvassing forbidden.** Every licensed optometrist who shall temporarily practice optometry outside or away from the regular registered place of business shall display the license and deliver to each customer or person there fitted or supplied with glasses a receipt or record which shall contain the signature, permanent registered place of business or post office address, and number of license of the optometrist, together with the amount charged therefor, but nothing contained in this section shall be construed as to permit peddling or canvassing by licensed optometrists.

148.571 USE OF TOPICAL OCULAR DRUGS.

Subdivision 1. **Authority.** Subject to the provisions of sections 148.571 to 148.574, optometrists who are currently licensed on August 1, 2007, and are not board certified under section 148.575 may possess a valid topical ocular drug certificate, referred to in sections 148.571 to 148.574, allowing them to administer topical ocular drugs to the anterior segment of the human eye during an eye examination in the course of practice in their normal practice setting, solely for the purposes of determining the refractive, muscular, or functional origin of sources of visual discomfort or difficulty, and detecting abnormalities which may be evidence of disease. Authority granted under sections 148.571 to 148.574 is granted to optometrists who are board certified under section 148.575.

Subd. 2. **Drugs specified.** For purposes of sections 148.571 to 148.574, "topical ocular drugs" means:

(1) commercially prepared topical anesthetics as follows: proparacaine HC1 0.5 percent, tetracaine HC1 0.5 percent, and benoxinate HC1 0.4 percent;

(2) commercially prepared mydriatics as follows: phenylephrine HC1 in strength not greater than 2.5 percent and hydroxyamphetamine HBr in strength not greater than 1 percent; and

(3) commercially prepared cycloplegics/mydriatics as follows: tropicamide in strength not greater than 1 percent and cyclopentolate in strength not greater than 1 percent.

148.572 ADVICE TO SEEK DIAGNOSIS AND TREATMENT.

Whether or not topical ocular drugs have been used, if any licensed optometrist is informed by a patient or determines from examining a patient, using judgment and that degree of skill, care, knowledge and attention ordinarily possessed and exercised by optometrists in good standing under like circumstances, that there are present in that patient signs or symptoms which

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may be evidence of disease that requires treatment that is beyond the practice of optometry permitted by law, then the licensed optometrist shall (1) promptly advise that patient to seek evaluation by an appropriate licensed physician for diagnosis and possible treatment and (2) not attempt to treat such condition by the use of drugs or any other means.

148.573 TOPICAL OCULAR DRUG USE.

Subdivision 1. **Certificate required.** A licensed optometrist shall not purchase, possess or administer any topical ocular drugs unless the optometrist has obtained a topical ocular drug certificate from the Board of Optometry certifying that the optometrist has complied with the requirements in paragraphs (a) and (b).

(a) Successful completion of 60 classroom hours of study in general and clinical pharmacology as it relates to the practice of optometry, with particular emphasis on the use of topical ocular drugs for examination purposes. At least 30 of the 60 classroom hours shall be in ocular pharmacology and shall emphasize the systemic effects of and reactions to topical ocular drugs, including the emergency management and referral of any adverse reactions that may occur. The course of study shall be approved by the Board of Optometry, and shall be offered by an institution which is accredited by a regional or professional accreditation organization recognized or approved by the Council on Postsecondary Education or the United States Department of Education or their successors. The course shall be completed prior to entering the examination required by this section.

(b) Successful completion of an examination approved by the Board of Optometry on the subject of general and ocular pharmacology as it relates to optometry with particular emphasis on the use of topical ocular drugs, including emergency management and referral of any adverse reactions that may occur.

148.575 CERTIFICATE REQUIRED FOR USE OF TOPICAL LEGEND DRUGS.

Subdivision 1. **Certificate required for use of legend drugs.** A licensed optometrist must be board certified to use legend drugs for therapy under section 148.576.

Subd. 3. **Display of certificate required.** A certificate issued under this section to a licensed optometrist by the Board of Optometry supersedes any previously issued certificate limited to topical ocular drugs described in sections 148.571 to 148.574 and must be displayed in a prominent place in the licensed optometrist's office.

Subd. 5. **Notice to Board of Pharmacy.** The Board of Optometry shall notify the Board of Pharmacy of each licensed optometrist who meets the certification requirements in this section.

Subd. 6. **Board certification required.** Optometrists who were licensed in this state prior to August 1, 2007, must have met the board certification requirements under this section by August 1, 2012, in order to renew their license.

148.576 USE OF LEGEND DRUGS; LIMITATIONS; REPORTS.

Subdivision 1. **Authority to prescribe or administer.** A licensed optometrist who is board certified under section 148.575 may prescribe or administer legend drugs to aid in the diagnosis, cure, mitigation, prevention, treatment, or management of disease, deficiency, deformity, or abnormality of the human eye and adnexa included in the curricula of accredited schools or colleges of optometry. Nothing in this section shall allow (1) legend drugs to be administered intravenously, intramuscularly, or by injection except for treatment of anaphylaxis, (2) invasive surgery including, but not limited to, surgery using lasers, (3) Schedule II and III oral legend drugs and oral steroids to be administered or prescribed, (4) oral antivirals to be prescribed or administered for more than ten days, or (5) oral carbonic anhydrase inhibitors to be prescribed or administered for more than seven days.

Subd. 2. **Adverse reaction reports.** An optometrist certified to prescribe legend drugs shall file with the Board of Optometry within ten working days of its occurrence a report on any adverse reaction resulting from the optometrist's administration of a drug. The report must include the optometrist's name, address, and license number; the patient's name, address, and age; the patient's presenting problem; the diagnosis; the agent administered and the method of administration; the reaction; and the subsequent action taken.

148E.060 TEMPORARY LICENSES.

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Subd. 12. **Ineligibility.** An applicant who is currently practicing social work in Minnesota in a setting that is not exempt under section 148E.065 at the time of application is ineligible for a temporary license.

148E.075 INACTIVE LICENSES.

Subd. 4. **Time limits for temporary leaves.** A licensee may maintain an inactive license on temporary leave for no more than five consecutive years. If a licensee does not apply for reactivation within 60 days following the end of the consecutive five-year period, the license automatically expires.

Subd. 5. **Time limits for emeritus license.** A licensee with an emeritus license may not apply for reactivation according to section 148E.080 after five years following the granting of the emeritus license. However, after five years following the granting of the emeritus license, an individual may apply for new licensure according to section 148E.055.

Subd. 6. **Prohibition on practice.** (a) Except as provided in paragraph (b), a licensee whose license is inactive must not practice, attempt to practice, offer to practice, or advertise or hold out as authorized to practice social work.

(b) The board may grant a variance to the requirements of paragraph (a) if a licensee on inactive status provides emergency social work services. A variance is granted only if the board provides the variance in writing to the licensee. The board may impose conditions or restrictions on the variance.

Subd. 7. **Representations of professional status.** In making representations of professional status to the public, a licensee whose license is inactive must state that the license is inactive and that the licensee cannot practice social work.

214.105 HEALTH-RELATED LICENSING BOARDS; DEFAULT ON FEDERAL LOANS OR SERVICE OBLIGATIONS.

A health-related licensing board may refuse to grant a license or may impose disciplinary action against a person regulated by the board if the person is intentionally in nonpayment, default, or breach of a repayment or service obligation under any federal educational loan, loan repayment, or service conditional scholarship program. The board shall consider the reasons for nonpayment, default, or breach of a repayment or service obligation and may not impose disciplinary action against a person in cases of total and permanent disability or long-term temporary disability lasting more than a year.

256.01 COMMISSIONER OF HUMAN SERVICES; POWERS, DUTIES.

Subd. 35. **Federal approval.** (a) The commissioner shall seek federal authority from the U.S. Department of Health and Human Services necessary to operate a health coverage program for Minnesotans with incomes up to 275 percent of the federal poverty guidelines (FPG). The proposal shall seek to secure all federal funding available from at least the following sources:

(1) all premium tax credits and cost sharing subsidies available under United States Code, title 26, section 36B, and United States Code, title 42, section 18071, for individuals with incomes above 133 percent and at or below 275 percent of the federal poverty guidelines who would otherwise be enrolled in MNsure as defined in section 62V.02;

(2) Medicaid funding; and

(3) other funding sources identified by the commissioner that support coverage or care redesign in Minnesota.

(b) Funding received shall be used to design and implement a health coverage program that creates a single streamlined program and meets the needs of Minnesotans with incomes up to 275 percent of the federal poverty guidelines. The program must incorporate:

(1) payment reform characteristics included in the health care delivery system and accountable care organization payment models;

(2) flexibility in benefit set design such that benefits can be targeted to meet enrollee needs in different income and health status situations and can provide a more seamless transition from public to private health care coverage;

(3) flexibility in co-payment or premium structures to incent patients to seek high-quality, low-cost care settings; and

(4) flexibility in premium structures to ease the transition from public to private health care coverage.

(c) The commissioner shall develop and submit a proposal consistent with the above criteria and shall seek all federal authority necessary to implement the health coverage program.

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In developing the request, the commissioner shall consult with appropriate stakeholder groups and consumers.

(d) The commissioner is authorized to seek any available waivers or federal approvals to accomplish the goals under paragraph (b) prior to 2017.

(e) The commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and financing by January 15, 2015, on the progress of receiving a federal waiver and shall make recommendations on any legislative changes necessary to accomplish the project in this subdivision. Any implementation of the waiver that requires a state financial contribution to operate a health coverage program for Minnesotans with incomes between 200 and 275 percent of the federal poverty guidelines, shall be contingent on legislative action approving the contribution.

(f) The commissioner is authorized to accept and expend federal funds that support the purposes of this subdivision.

256B.434 ALTERNATIVE PAYMENT DEMONSTRATION PROJECT.

Subd. 19b. **Nursing facility rate adjustments beginning October 1, 2015.** A total of a 3.2 percent average rate adjustment shall be provided as described under this subdivision and under section 256B.441, subdivision 46c.

(a) Beginning October 1, 2015, the commissioner shall make available to each nursing facility reimbursed under this section a 2.4 percent operating payment rate increase, in accordance with paragraphs (b) to (g).

(b) Seventy-five percent of the money resulting from the rate adjustment under paragraph (a) must be used for increases in compensation-related costs for employees directly employed by the nursing facility on or after the effective date of the rate adjustment, except:

(1) the administrator;

(2) persons employed in the central office of a corporation that has an ownership interest in the nursing facility or exercises control over the nursing facility; and

(3) persons paid by the nursing facility under a management contract.

(c) The commissioner shall allow as compensation-related costs all costs for:

(1) wage and salary increases effective after May 25, 2015;

(2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, and workers' compensation;

(3) the employer's share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, and pensions; and

(4) other benefits provided and workforce needs, including the recruiting and training of employees, subject to the approval of the commissioner.

(d) The portion of the rate adjustment under paragraph (a) that is not subject to the requirements of paragraph (b) shall be provided to nursing facilities effective October 1, 2015. Nursing facilities may apply for the portion of the rate adjustment under paragraph (a) that is subject to the requirements in paragraph (b). The application must be submitted to the commissioner within six months of the effective date of the rate adjustment, and the nursing facility must provide additional information required by the commissioner within nine months of the effective date of the rate adjustment. The commissioner must respond to all applications within three weeks of receipt. The commissioner may waive the deadlines in this paragraph under extraordinary circumstances, to be determined at the sole discretion of the commissioner. The application must contain:

(1) an estimate of the amounts of money that must be used as specified in paragraph (b);

(2) a detailed distribution plan specifying the allowable compensation-related increases the nursing facility will implement to use the funds available in clause (1);

(3) a description of how the nursing facility will notify eligible employees of the contents of the approved application, which must provide for giving each eligible employee a copy of the approved application, excluding the information required in clause (1), or posting a copy of the approved application, excluding the information required in clause (1), for a period of at least six weeks in an area of the nursing facility to which all eligible employees have access; and

(4) instructions for employees who believe they have not received the compensation-related increases specified in clause (2), as approved by the commissioner, and which must include a mailing address, e-mail address, and the telephone number that may be used by the employee to contact the commissioner or the commissioner's representative.

(e) The commissioner shall ensure that cost increases in distribution plans under paragraph (d), clause (2), that may be included in approved applications, comply with the following requirements:

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(1) a portion of the costs resulting from tenure-related wage or salary increases may be considered to be allowable wage increases, according to formulas that the commissioner shall provide, where employee retention is above the average statewide rate of retention of direct-care employees;

(2) the annualized amount of increases in costs for the employer's share of health and dental insurance, life insurance, disability insurance, and workers' compensation shall be allowable compensation-related increases if they are effective on or after April 1, 2015, and prior to April 1, 2016; and

(3) for nursing facilities in which employees are represented by an exclusive bargaining representative, the commissioner shall approve the application only upon receipt of a letter of acceptance of the distribution plan, in regard to members of the bargaining unit, signed by the exclusive bargaining agent and dated after May 25, 2015.

Upon receipt of the letter of acceptance, the commissioner shall deem all requirements of this provision as having been met in regard to the members of the bargaining unit.

(f) The commissioner shall review applications received under paragraph (d) and shall provide the portion of the rate adjustment under paragraph (b) if the requirements of this subdivision have been met. The rate adjustment shall be effective October 1, 2015. Notwithstanding paragraph (a), if the approved application distributes less money than is available, the amount of the rate adjustment shall be reduced so that the amount of money made available is equal to the amount to be distributed.

(g) The increase in this subdivision shall be applied as a percentage to operating payment rates in effect on September 30, 2015. For each facility, the commissioner shall determine the operating payment rate, not including any rate components resulting from equitable cost-sharing for publicly owned nursing facility program participation under section 256B.441, subdivision 55a, critical access nursing facility program participation under section 256B.441, subdivision 63, or performance-based incentive payment program participation under subdivision 4, paragraph (d), for a RUG class with a weight of 1.00 in effect on September 30, 2015.

256B.441 VALUE-BASED NURSING FACILITY REIMBURSEMENT SYSTEM.

Subd. 14a. **Facility type groups.** Facilities shall be classified into two groups, called "facility type groups," which shall consist of:

(1) C&NC/R80: facilities that are hospital-attached, or are licensed under Minnesota Rules, parts 9570.2000 to 9570.3400; and

(2) freestanding: all other facilities.

Subd. 19. **Hospital-attached nursing facility status.** (a) For the purpose of setting rates under this section, for rate years beginning after September 30, 2006, "hospital-attached nursing facility" means a nursing facility which meets the requirements of clauses (1) and (2); or (3); or (4), or had hospital-attached status prior to January 1, 1995, and has been recognized as having hospital-attached status by CMS continuously since that date:

(1) the nursing facility is recognized by the federal Medicare program to be a hospital-based nursing facility;

(2) the hospital and nursing facility are physically attached or connected by a corridor;

(3) a nursing facility and hospital, which have applied for hospital-based nursing facility status under the federal Medicare program during the reporting year, shall be considered a hospital-attached nursing facility for purposes of setting payment rates under this section. The nursing facility must file its cost report for that reporting year using Medicare principles and Medicare's recommended cost allocation methods had the Medicare program's hospital-based nursing facility status been granted to the nursing facility. For each subsequent rate year, the nursing facility must meet the definition requirements in clauses (1) and (2). If the nursing facility is denied hospital-based nursing facility status under the Medicare program, the nursing facility's payment rates for the rate years the nursing facility was considered to be a hospital-attached nursing facility according to this paragraph shall be recalculated treating the nursing facility as a non-hospital-attached nursing facility;

(4) if a nonprofit or community-operated hospital and attached nursing facility suspend operation of the hospital, the remaining nursing facility must be allowed to continue its status as hospital-attached for rate calculations in the three rate years subsequent to the one in which the hospital ceased operations.

(b) The nursing facility's cost report filed as hospital-attached facility shall use the same cost allocation principles and methods used in the reports filed for the Medicare program. Direct identification of costs to the nursing facility cost center will be permitted only when the

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comparable hospital costs have also been directly identified to a cost center which is not allocated to the nursing facility.

Subd. 50a. **Determination of proximity adjustments.** (a) For a nursing facility located in close proximity to another nursing facility of the same facility group type but in a different peer group and that has higher limits for care-related or other operating costs, the commissioner shall adjust the limits in accordance with clauses (1) to (4):

- (1) determine the difference between the limits;
- (2) determine the distance between the two facilities, by the shortest driving route. If the distance exceeds 20 miles, no adjustment shall be made;
- (3) subtract the value in clause (2) from 20 miles, divide by 20, and convert to a percentage; and
- (4) increase the limits for the nursing facility with the lower limits by the value determined in clause (1) multiplied by the value determined in clause (3).

(b) Effective October 1, 2011, nursing facilities located no more than one-quarter mile from a peer group with higher limits under either subdivision 50 or 51, may receive an operating rate adjustment. The operating payment rates of a lower-limit peer group facility must be adjusted to be equal to those of the nearest facility in a higher-limit peer group if that facility's RUG rate with a weight of 1.00 is higher than the lower-limit peer group facility. Peer groups are those defined in subdivision 30. The nearest facility must be determined by the most direct driving route.

Subd. 52. **Determination of efficiency incentive.** Each facility shall be eligible for an efficiency incentive based on its other operating per diem. A facility with an other operating per diem that exceeds the limit in subdivision 51 shall receive no efficiency incentive. All other facilities shall receive an incentive calculated as 50 percent times the difference between the facility's other operating per diem and its other operating per diem limit, up to a maximum incentive of \$3.

Subd. 55. **Phase-in of rebased operating payment rates.** (a) For the rate years beginning October 1, 2008, to October 1, 2015, the operating payment rate calculated under this section shall be phased in by blending the operating rate with the operating payment rate determined under section 256B.434. For purposes of this subdivision, the rate to be used that is determined under section 256B.434 shall not include the portion of the operating payment rate related to performance-based incentive payments under section 256B.434, subdivision 4, paragraph (d). For the rate year beginning October 1, 2008, the operating payment rate for each facility shall be 13 percent of the operating payment rate from this section, and 87 percent of the operating payment rate from section 256B.434. For the rate period from October 1, 2009, to September 30, 2013, no rate adjustments shall be implemented under this section, but shall be determined under section 256B.434. For the rate year beginning October 1, 2013, the operating payment rate for each facility shall be 65 percent of the operating payment rate from this section, and 35 percent of the operating payment rate from section 256B.434. For the rate year beginning October 1, 2014, the operating payment rate for each facility shall be 82 percent of the operating payment rate from this section, and 18 percent of the operating payment rate from section 256B.434. For the rate year beginning October 1, 2015, the operating payment rate for each facility shall be the operating payment rate determined under this section. The blending of operating payment rates under this section shall be performed separately for each RUG's class.

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

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

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

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

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

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

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

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

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

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

Subd. 58. Implementation delay. Within six months prior to the effective date of (1) rebasing of property payment rates under subdivision 1; (2) quality-based rate limits under subdivision 50; and (3) the removal of planned closure rate adjustments and single bed room incentives from external fixed costs under subdivision 53, the commissioner shall compare the average operating cost for all facilities combined from the most recent cost reports to the average medical assistance operating payment rates for all facilities combined from the same time period. Each provision shall not go into effect until the average medical assistance operating payment rate is at least 92 percent of the average operating cost. The rebasing of property payment rates under subdivision 1, and the removal of planned closure rate adjustments and single-bed room incentives from external fixed costs under subdivision 53 shall not go into effect until 82 percent of the operating payment rate from this section is phased in as described in subdivision 55.

Subd. 62. Repeal of rebased operating payment rates. Notwithstanding subdivision 54 or 55, no further steps toward phase-in of rebased operating payment rates shall be taken.

256D.0513 BUDGETING LUMP SUMS.

Effective January 1, 1998, nonrecurring lump-sum income received by a recipient of general assistance must be budgeted in the normal retrospective cycle.

256D.06 AMOUNT OF ASSISTANCE.

Subd. 8. Recovery of ATM errors. For recipients receiving benefits via electronic benefit transfer, if the recipient is overpaid as a result of an automated teller machine (ATM) dispensing funds in error to the recipient, the agency may recover the ATM error by immediately withdrawing funds from the recipient's electronic benefit transfer account, up to the amount of the error.

256D.09 PAYMENT; ASSESSMENT; OVERPAYMENT.

Subd. 6. Recovery of overpayments. (a) If an amount of general assistance or family general assistance is paid to a recipient in excess of the payment due, it shall be recoverable by the county agency. The agency shall give written notice to the recipient of its intention to recover the overpayment.

(b) Except as provided for interim assistance in section 256D.06, subdivision 5, when an overpayment occurs, the county agency shall recover the overpayment from a current recipient by reducing the amount of aid payable to the assistance unit of which the recipient is a member, for one or more monthly assistance payments, until the overpayment is repaid. All county agencies in the state shall reduce the assistance payment by three percent of the assistance unit's standard of need in nonfraud cases and ten percent where fraud has occurred, or the amount of the monthly payment, whichever is less, for all overpayments.

(c) In cases when there is both an overpayment and underpayment, the county agency shall offset one against the other in correcting the payment.

(d) Overpayments may also be voluntarily repaid, in part or in full, by the individual, in addition to the aid reductions provided in this subdivision, to include further voluntary reductions

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in the grant level agreed to in writing by the individual, until the total amount of the overpayment is repaid.

(e) The county agency shall make reasonable efforts to recover overpayments to persons no longer on assistance under standards adopted in rule by the commissioner of human services. The county agency need not attempt to recover overpayments of less than \$35 paid to an individual no longer on assistance if the individual does not receive assistance again within three years, unless the individual has been convicted of violating section 256.98.

(f) Establishment of an overpayment is limited to 12 months prior to the month of discovery due to agency error and six years prior to the month of discovery due to client error or an intentional program violation determined under section 256.046.

256D.49 PAYMENT CORRECTION.

Subdivision 1. **When.** When the county agency finds that the recipient has received less than or more than the correct payment of Minnesota supplemental aid benefits, the county agency shall issue a corrective payment or initiate recovery under subdivision 3, as appropriate.

Subd. 2. **Underpayment of monthly grants.** When the county agency determines that an underpayment of the recipient's monthly payment has occurred, it shall, during that same month, issue a corrective payment. Corrective payments must be excluded when determining the applicant's or recipient's income and resources for the month of payment.

Subd. 3. **Overpayment of monthly grants and recovery of ATM errors.** (a) When the county agency determines that an overpayment of the recipient's monthly payment of Minnesota supplemental aid has occurred, it shall issue a notice of overpayment to the recipient. If the person is no longer receiving Minnesota supplemental aid, the county agency may request voluntary repayment or pursue civil recovery. If the person is receiving Minnesota supplemental aid, the county agency shall recover the overpayment by withholding an amount equal to three percent of the standard of assistance for the recipient or the total amount of the monthly grant, whichever is less.

(b) Establishment of an overpayment is limited to 12 months from the date of discovery due to agency error. Establishment of an overpayment is limited to six years prior to the month of discovery due to client error or an intentional program violation determined under section 256.046.

(c) For recipients receiving benefits via electronic benefit transfer, if the overpayment is a result of an automated teller machine (ATM) dispensing funds in error to the recipient, the agency may recover the ATM error by immediately withdrawing funds from the recipient's electronic benefit transfer account, up to the amount of the error.

(d) Residents of licensed residential facilities shall not have overpayments recovered from their personal needs allowance.

256J.38 CORRECTION OF OVERPAYMENTS AND UNDERPAYMENTS.

Subdivision 1. **Scope of overpayment.** (a) When a participant or former participant receives an overpayment due to agency, client, or ATM error, or due to assistance received while an appeal is pending and the participant or former participant is determined ineligible for assistance or for less assistance than was received, the county agency must recoup or recover the overpayment using the following methods:

(1) reconstruct each affected budget month and corresponding payment month;

(2) use the policies and procedures that were in effect for the payment month; and

(3) do not allow employment disregards in section 256J.21, subdivision 3 or 4, in the calculation of the overpayment when the unit has not reported within two calendar months following the end of the month in which the income was received.

(b) Establishment of an overpayment is limited to 12 months prior to the month of discovery due to agency error. Establishment of an overpayment is limited to six years prior to the month of discovery due to client error or an intentional program violation determined under section 256.046.

Subd. 2. **Notice of overpayment.** When a county agency discovers that a participant or former participant has received an overpayment for one or more months, the county agency must notify the participant or former participant of the overpayment in writing. A notice of overpayment must specify the reason for the overpayment, the authority for citing the overpayment, the time period in which the overpayment occurred, the amount of the overpayment, and the participant's or former participant's right to appeal. No limit applies to the period in which the county agency is required to recoup or recover an overpayment according to subdivisions 3 and 4.

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Subd. 3. **Recovering overpayments.** A county agency must initiate efforts to recover overpayments paid to a former participant or caregiver. Caregivers, both parental and nonparental, and minor caregivers of an assistance unit at the time an overpayment occurs, whether receiving assistance or not, are jointly and individually liable for repayment of the overpayment. The county agency must request repayment from the former participants and caregivers. When an agreement for repayment is not completed within six months of the date of discovery or when there is a default on an agreement for repayment after six months, the county agency must initiate recovery consistent with chapter 270A, or section 541.05. When a person has been convicted of fraud under section 256.98, recovery must be sought regardless of the amount of overpayment. When an overpayment is less than \$35, and is not the result of a fraud conviction under section 256.98, the county agency must not seek recovery under this subdivision. The county agency must retain information about all overpayments regardless of the amount. When an adult, adult caregiver, or minor caregiver reapplies for assistance, the overpayment must be recouped under subdivision 4.

Subd. 4. **Recouping overpayments from participants.** A participant may voluntarily repay, in part or in full, an overpayment even if assistance is reduced under this subdivision, until the total amount of the overpayment is repaid. When an overpayment occurs due to fraud, the county agency must recover from the overpaid assistance unit, including child only cases, ten percent of the applicable standard or the amount of the monthly assistance payment, whichever is less. When a nonfraud overpayment occurs, the county agency must recover from the overpaid assistance unit, including child only cases, three percent of the MFIP standard of need or the amount of the monthly assistance payment, whichever is less.

Subd. 5. **Recovering automatic teller machine errors.** For recipients receiving benefits via electronic benefit transfer, if the overpayment is a result of an ATM dispensing funds in error to the recipient, the agency may recover the ATM error by immediately withdrawing funds from the recipient's electronic benefit transfer account, up to the amount of the error.

Subd. 6. **Scope of underpayments.** A county agency must issue a corrective payment for underpayments made to a participant or to a person who would be a participant if an agency or client error causing the underpayment had not occurred. Corrective payments are limited to 12 months prior to the month of discovery. The county agency must issue the corrective payment according to subdivision 8.

Subd. 7. **Identifying the underpayment.** An underpayment may be identified by a county agency, by a participant, by a former participant, or by a person who would be a participant except for agency or client error.

Subd. 8. **Issuing corrective payments.** A county agency must correct an underpayment within seven calendar days after the underpayment has been identified, by adding the corrective payment amount to the monthly assistance payment of the participant or by issuing a separate payment to a participant or former participant, or by reducing an existing overpayment balance. When an underpayment occurs in a payment month and is not identified until the next payment month or later, the county agency must first subtract the underpayment from any overpayment balance before issuing the corrective payment. The county agency must not apply an underpayment in a current payment month against an overpayment balance. When an underpayment in the current payment month is identified, the corrective payment must be issued within seven calendar days after the underpayment is identified.

Subd. 9. **Appeals.** A participant may appeal an underpayment, an overpayment, and a reduction in an assistance payment made to recoup the overpayment under subdivision 4. The participant's appeal of each issue must be timely under section 256.045. When an appeal based on the notice issued under subdivision 2 is not timely, the fact or the amount of that overpayment must not be considered as a part of a later appeal, including an appeal of a reduction in an assistance payment to recoup that overpayment.

256L.01 DEFINITIONS.

Subdivision 1. **Scope.** For purposes of this chapter, the following terms shall have the meanings given them.

Subd. 1a. **Child.** "Child" means an individual under 21 years of age, including the unborn child of a pregnant woman, an emancipated minor, and an emancipated minor's spouse.

Subd. 1b. **Affordable Care Act.** "Affordable Care Act" means the federal Patient Protection and Affordable Care Act, Public Law 111-148, as amended, including the federal Health Care and Education Reconciliation Act of 2010, Public Law 111-152, and any amendments to, and any federal guidance or regulations issued under, these acts.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of human services.

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Subd. 3. **Eligible providers.** "Eligible providers" means those health care providers who provide covered health services to medical assistance recipients under rules established by the commissioner for that program.

Subd. 3a. **Family.** (a) "Family" has the meaning given for family and family size as defined in Code of Federal Regulations, title 26, section 1.36B-1.

(b) The term includes children who are temporarily absent from the household in settings such as schools, camps, or parenting time with noncustodial parents.

Subd. 5. **Income.** "Income" has the meaning given for modified adjusted gross income, as defined in Code of Federal Regulations, title 26, section 1.36B-1.

Subd. 6. **MNsure.** "MNsure" means the state health benefit exchange as defined in section 62V.02.

Subd. 7. **Participating entity.** "Participating entity" means a health carrier as defined in section 62A.01, subdivision 2; a county-based purchasing plan established under section 256B.692; an accountable care organization or other entity operating a health care delivery systems demonstration project authorized under section 256B.0755; an entity operating a county integrated health care delivery network pilot project authorized under section 256B.0756; or a network of health care providers established to offer services under MinnesotaCare.

256L.02 PROGRAM ADMINISTRATION.

Subdivision 1. **Purpose.** The MinnesotaCare program is established to promote access to appropriate health care services to assure healthy children and adults.

Subd. 2. **Commissioner's duties.** (a) The commissioner shall establish an office for the state administration of this plan. The plan shall be used to provide covered health services for eligible persons. Payment for these services shall be made to all participating entities under contract with the commissioner. The commissioner shall adopt rules to administer the MinnesotaCare program. The commissioner shall establish marketing efforts to encourage potentially eligible persons to receive information about the program and about other medical care programs administered or supervised by the Department of Human Services.

(b) A toll-free telephone number and Web site must be used to provide information about medical programs and to promote access to the covered services.

Subd. 3. **Financial management.** (a) The commissioner shall manage spending for the MinnesotaCare program in a manner that maintains a minimum reserve. As part of each state revenue and expenditure forecast, the commissioner must make an assessment of the expected expenditures for the covered services for the remainder of the current biennium and for the following biennium. The estimated expenditure, including the reserve, shall be compared to an estimate of the revenues that will be available in the health care access fund. Based on this comparison, and after consulting with the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee, the commissioner shall, as necessary, make the adjustments specified in paragraph (b) to ensure that expenditures remain within the limits of available revenues for the remainder of the current biennium and for the following biennium. The commissioner shall not hire additional staff using appropriations from the health care access fund until the commissioner of management and budget makes a determination that the adjustments implemented under paragraph (b) are sufficient to allow MinnesotaCare expenditures to remain within the limits of available revenues for the remainder of the current biennium and for the following biennium.

(b) The adjustments the commissioner shall use must be implemented in this order: first, stop enrollment of single adults and households without children; second, upon 45 days' notice, stop coverage of single adults and households without children already enrolled in the MinnesotaCare program; third, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income above 200 percent of the federal poverty guidelines; fourth, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income at or below 200 percent; and fifth, require applicants to be uninsured for at least six months prior to eligibility in the MinnesotaCare program. If these measures are insufficient to limit the expenditures to the estimated amount of revenue, the commissioner shall further limit enrollment or decrease premium subsidies.

Subd. 5. **Federal approval.** (a) The commissioner of human services shall seek federal approval to implement the MinnesotaCare program under this chapter as a basic health program. In any agreement with the Centers for Medicare and Medicaid Services to operate MinnesotaCare as a basic health program, the commissioner shall seek to include procedures to ensure that federal funding is predictable, stable, and sufficient to sustain ongoing operation of MinnesotaCare. These procedures must address issues related to the timing of federal payments,

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payment reconciliation, enrollee risk adjustment, and minimization of state financial risk. The commissioner shall consult with the commissioner of management and budget, when developing the proposal for establishing MinnesotaCare as a basic health program to be submitted to the Centers for Medicare and Medicaid Services.

(b) The commissioner of human services, in consultation with the commissioner of management and budget, shall work with the Centers for Medicare and Medicaid Services to establish a process for reconciliation and adjustment of federal payments that balances state and federal liability over time. The commissioner of human services shall request that the secretary of health and human services hold the state, and enrollees, harmless in the reconciliation process for the first three years, to allow the state to develop a statistically valid methodology for predicting enrollment trends and their net effect on federal payments.

Subd. 6. **Coordination with MNsure.** MinnesotaCare shall be considered a public health care program for purposes of chapter 62V.

256L.03 COVERED HEALTH SERVICES.

Subdivision 1. **Covered health services.** (a) "Covered health services" means the health services reimbursed under chapter 256B, with the exception of special education services, home care nursing services, adult dental care services other than services covered under section 256B.0625, subdivision 9, orthodontic services, nonemergency medical transportation services, personal care assistance and case management services, and nursing home or intermediate care facilities services.

(b) No public funds shall be used for coverage of abortion under MinnesotaCare except where the life of the female would be endangered or substantial and irreversible impairment of a major bodily function would result if the fetus were carried to term; or where the pregnancy is the result of rape or incest.

(c) Covered health services shall be expanded as provided in this section.

Subd. 1a. **Children; MinnesotaCare health care reform waiver.** Children are eligible for coverage of all services that are eligible for reimbursement under the medical assistance program according to chapter 256B, except that abortion services under MinnesotaCare shall be limited as provided under subdivision 1. Children are exempt from the provisions of subdivision 5, regarding co-payments. Children who are lawfully residing in the United States but who are not "qualified noncitizens" under title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, Statutes at Large, volume 110, page 2105, are eligible for coverage of all services provided under the medical assistance program according to chapter 256B.

Subd. 1b. **Pregnant women; eligibility for full medical assistance services.** A pregnant woman enrolled in MinnesotaCare is eligible for coverage of all services provided under the medical assistance program according to chapter 256B retroactive to the date of conception. Co-payments totaling \$30 or more, paid after the date of conception, shall be refunded.

Subd. 2. **Alcohol and drug dependency.** Beginning July 1, 1993, covered health services shall include individual outpatient treatment of alcohol or drug dependency by a qualified health professional or outpatient program.

Persons who may need chemical dependency services under the provisions of this chapter shall be assessed by a local agency as defined under section 254B.01, and under the assessment provisions of section 254A.03, subdivision 3. A local agency or managed care plan under contract with the Department of Human Services must place a person in need of chemical dependency services as provided in Minnesota Rules, parts 9530.6600 to 9530.6660. Persons who are recipients of medical benefits under the provisions of this chapter and who are financially eligible for consolidated chemical dependency treatment fund services provided under the provisions of chapter 254B shall receive chemical dependency treatment services under the provisions of chapter 254B only if:

(1) they have exhausted the chemical dependency benefits offered under this chapter; or
(2) an assessment indicates that they need a level of care not provided under the provisions of this chapter.

Recipients of covered health services under the children's health plan, as provided in Minnesota Statutes 1990, section 256.936, and as amended by Laws 1991, chapter 292, article 4, section 17, and recipients of covered health services enrolled in the children's health plan or the MinnesotaCare program after October 1, 1992, pursuant to Laws 1992, chapter 549, article 4, sections 5 and 17, are eligible to receive alcohol and drug dependency benefits under this subdivision.

Subd. 3. **Inpatient hospital services.** (a) Covered health services shall include inpatient hospital services, including inpatient hospital mental health services and inpatient hospital and

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residential chemical dependency treatment, subject to those limitations necessary to coordinate the provision of these services with eligibility under the medical assistance spenddown.

(b) Admissions for inpatient hospital services paid for under section 256L.11, subdivision 3, must be certified as medically necessary in accordance with Minnesota Rules, parts 9505.0500 to 9505.0540, except as provided in clauses (1) and (2):

(1) all admissions must be certified, except those authorized under rules established under section 254A.03, subdivision 3, or approved under Medicare; and

(2) payment under section 256L.11, subdivision 3, shall be reduced by five percent for admissions for which certification is requested more than 30 days after the day of admission. The hospital may not seek payment from the enrollee for the amount of the payment reduction under this clause.

Subd. 3a. **Interpreter services.** Covered services include sign and spoken language interpreter services that assist an enrollee in obtaining covered health care services.

Subd. 3b. **Chiropractic services.** MinnesotaCare covers the following chiropractic services: medically necessary exams, manual manipulation of the spine, and x-rays.

Subd. 4. **Coordination with medical assistance.** The commissioner shall coordinate the provision of hospital inpatient services under the MinnesotaCare program with enrollee eligibility under the medical assistance spenddown.

Subd. 4a. **Loss ratio.** Health coverage provided through the MinnesotaCare program must have a medical loss ratio of at least 85 percent, as defined using the loss ratio methodology described in section 1001 of the Affordable Care Act.

Subd. 5. **Cost-sharing.** (a) Except as otherwise provided in this subdivision, the MinnesotaCare benefit plan shall include the following cost-sharing requirements for all enrollees:

(1) \$3 per prescription for adult enrollees;

(2) \$25 for eyeglasses for adult enrollees;

(3) \$3 per nonpreventive visit. For purposes of this subdivision, a "visit" means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist;

(4) \$6 for nonemergency visits to a hospital-based emergency room for services provided through December 31, 2010, and \$3.50 effective January 1, 2011; and

(5) a family deductible equal to the maximum amount allowed under Code of Federal Regulations, title 42, part 447.54.

(b) Paragraph (a) does not apply to children under the age of 21.

(c) Paragraph (a), clause (3), does not apply to mental health services.

(d) MinnesotaCare reimbursements to fee-for-service providers and payments to managed care plans or county-based purchasing plans shall not be increased as a result of the reduction of the co-payments in paragraph (a), clause (4), effective January 1, 2011.

(e) The commissioner, through the contracting process under section 256L.12, may allow managed care plans and county-based purchasing plans to waive the family deductible under paragraph (a), clause (5). The value of the family deductible shall not be included in the capitation payment to managed care plans and county-based purchasing plans. Managed care plans and county-based purchasing plans shall certify annually to the commissioner the dollar value of the family deductible.

Subd. 6. **Lien.** When the state agency provides, pays for, or becomes liable for covered health services, the agency shall have a lien for the cost of the covered health services upon any and all causes of action accruing to the enrollee, or to the enrollee's legal representatives, as a result of the occurrence that necessitated the payment for the covered health services. All liens under this section shall be subject to the provisions of section 256.015. For purposes of this subdivision, "state agency" includes participating entities, under contract with the commissioner according to section 256L.121.

256L.04 ELIGIBLE PERSONS.

Subdivision 1. **Families with children.** Families with children with family income above 133 percent of the federal poverty guidelines and equal to or less than 200 percent of the federal poverty guidelines for the applicable family size shall be eligible for MinnesotaCare according to this section. All other provisions of sections 256L.01 to 256L.18 shall apply unless otherwise specified. Children under age 19 with family income at or below 200 percent of the federal poverty guidelines and who are ineligible for medical assistance by sole reason of the application of federal household composition rules for medical assistance are eligible for MinnesotaCare.

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Subd. 1a. **Social Security number required.** (a) Individuals and families applying for MinnesotaCare coverage must provide a Social Security number.

(b) The commissioner shall not deny eligibility to an otherwise eligible applicant who has applied for a Social Security number and is awaiting issuance of that Social Security number.

(c) Newborns enrolled under section 256L.05, subdivision 3, are exempt from the requirements of this subdivision.

(d) Individuals who refuse to provide a Social Security number because of well-established religious objections are exempt from the requirements of this subdivision. The term "well-established religious objections" has the meaning given in Code of Federal Regulations, title 42, section 435.910.

Subd. 1c. **General requirements.** To be eligible for coverage under MinnesotaCare, a person must meet the eligibility requirements of this section. A person eligible for MinnesotaCare shall not be considered a qualified individual under section 1312 of the Affordable Care Act, and is not eligible for enrollment in a qualified health plan offered through MNsure under chapter 62V.

Subd. 2. **Third-party liability, paternity, and other medical support.** (a) To be eligible for MinnesotaCare, individuals and families must cooperate with the state agency to identify potentially liable third-party payers and assist the state in obtaining third-party payments. "Cooperation" includes, but is not limited to, complying with the notice requirements in section 256B.056, subdivision 9, identifying any third party who may be liable for care and services provided under MinnesotaCare to the enrollee, providing relevant information to assist the state in pursuing a potentially liable third party, and completing forms necessary to recover third-party payments.

(b) A parent, guardian, relative caretaker, or child enrolled in the MinnesotaCare program must cooperate with the Department of Human Services and the local agency in establishing the paternity of an enrolled child and in obtaining medical care support and payments for the child and any other person for whom the person can legally assign rights, in accordance with applicable laws and rules governing the medical assistance program. A child shall not be ineligible for or disenrolled from the MinnesotaCare program solely because the child's parent, relative caretaker, or guardian fails to cooperate in establishing paternity or obtaining medical support.

Subd. 2a. **Applications for other benefits.** To be eligible for MinnesotaCare, individuals and families must take all necessary steps to obtain other benefits as described in Code of Federal Regulations, title 42, section 435.608. Applicants and enrollees must apply for other benefits within 30 days of notification.

Subd. 7. **Single adults and households with no children.** The definition of eligible persons includes all individuals and families with no children who have incomes that are above 133 percent and equal to or less than 200 percent of the federal poverty guidelines for the applicable family size.

Subd. 7a. **Ineligibility.** Adults whose income is greater than the limits established under this section may not enroll in the MinnesotaCare program.

Subd. 7b. **Annual income limits adjustment.** The commissioner shall adjust the income limits under this section each July 1 by the annual update of the federal poverty guidelines following publication by the United States Department of Health and Human Services except that the income standards shall not go below those in effect on July 1, 2009.

Subd. 8. **Applicants potentially eligible for medical assistance.** (a) Individuals who receive Supplemental Security Income or retirement, survivors, or disability benefits due to a disability, or other disability-based pension, who qualify under subdivision 7, but who are potentially eligible for medical assistance without a spenddown shall be allowed to enroll in MinnesotaCare, so long as the applicant meets all other conditions of eligibility. The commissioner shall identify and refer the applications of such individuals to their county social service agency. The county and the commissioner shall cooperate to ensure that the individuals obtain medical assistance coverage for any months for which they are eligible.

(b) The enrollee must cooperate with the county social service agency in determining medical assistance eligibility. Enrollees who do not cooperate with medical assistance shall be disenrolled from the plan within one calendar month. Persons disenrolled for nonapplication for medical assistance may not reenroll until they have obtained a medical assistance eligibility determination. Persons disenrolled for noncooperation with medical assistance may not reenroll until they have cooperated with the county agency and have obtained a medical assistance eligibility determination.

(c) Counties that choose to become MinnesotaCare enrollment sites shall consider MinnesotaCare applications to also be applications for medical assistance.

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(d) The commissioner shall redetermine provider payments made under MinnesotaCare to the appropriate medical assistance payments for those enrollees who subsequently become eligible for medical assistance.

Subd. 10. **Citizenship requirements.** (a) Eligibility for MinnesotaCare is limited to citizens or nationals of the United States and lawfully present noncitizens as defined in Code of Federal Regulations, title 8, section 103.12. Undocumented noncitizens are ineligible for MinnesotaCare. For purposes of this subdivision, an undocumented noncitizen is an individual who resides in the United States without the approval or acquiescence of the United States Citizenship and Immigration Services. Families with children who are citizens or nationals of the United States must cooperate in obtaining satisfactory documentary evidence of citizenship or nationality according to the requirements of the federal Deficit Reduction Act of 2005, Public Law 109-171.

(b) Notwithstanding subdivisions 1 and 7, eligible persons include families and individuals who are lawfully present and ineligible for medical assistance by reason of immigration status and who have incomes equal to or less than 200 percent of federal poverty guidelines.

Subd. 12. **Persons in detention.** An applicant or enrollee residing in a correctional or detention facility is not eligible for MinnesotaCare, unless the applicant or enrollee is awaiting disposition of charges.

Subd. 13. **Families with relative caretakers, foster parents, or legal guardians.** Beginning January 1, 1999, in families that include a relative caretaker as defined in the medical assistance program, foster parent, or legal guardian, the relative caretaker, foster parent, or legal guardian may apply as a family or may apply separately for the children. If the caretaker applies separately for the children, only the children's income is counted and the provisions of subdivision 1, paragraph (b), do not apply. If the relative caretaker, foster parent, or legal guardian applies with the children, their income is included in the gross family income for determining eligibility and premium amount.

Subd. 14. **Coordination with medical assistance.** (a) Individuals eligible for medical assistance under chapter 256B are not eligible for MinnesotaCare under this section.

(b) The commissioner shall coordinate eligibility and coverage to ensure that individuals transitioning between medical assistance and MinnesotaCare have seamless eligibility and access to health care services.

256L.05 APPLICATION PROCEDURES.

Subdivision 1. **Application assistance and information availability.** (a) Applicants may submit applications online, in person, by mail, or by phone in accordance with the Affordable Care Act, and by any other means by which medical assistance applications may be submitted. Applicants may submit applications through MNsure or through the MinnesotaCare program. Applications and application assistance must be made available at provider offices, local human services agencies, school districts, public and private elementary schools in which 25 percent or more of the students receive free or reduced price lunches, community health offices, Women, Infants and Children (WIC) program sites, Head Start program sites, public housing councils, crisis nurseries, child care centers, early childhood education and preschool program sites, legal aid offices, and libraries, and at any other locations at which medical assistance applications must be made available. These sites may accept applications and forward the forms to the commissioner or local county human services agencies that choose to participate as an enrollment site. Otherwise, applicants may apply directly to the commissioner or to participating local county human services agencies.

(b) Application assistance must be available for applicants choosing to file an online application through MNsure.

Subd. 1a. **Person authorized to apply on applicant's behalf.** Beginning January 1, 1999, a family member who is age 18 or over or who is an authorized representative, as defined in the medical assistance program, may apply on an applicant's behalf.

Subd. 1b. **MinnesotaCare enrollment by county agencies.** Beginning September 1, 2006, county agencies shall enroll single adults and households with no children formerly enrolled in general assistance medical care in MinnesotaCare according to Minnesota Statutes 2009 Supplement, section 256D.03, subdivision 3. County agencies shall perform all duties necessary to administer the MinnesotaCare program ongoing for these enrollees, including the redetermination of MinnesotaCare eligibility at renewal.

Subd. 1c. **Open enrollment and streamlined application and enrollment process.**

Subd. 2. **Commissioner's duties.** The commissioner or county agency shall use electronic verification through MNsure as the primary method of income verification. If there is a discrepancy between reported income and electronically verified income, an individual may be

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required to submit additional verification to the extent permitted under the Affordable Care Act. In addition, the commissioner shall perform random audits to verify reported income and eligibility. The commissioner may execute data sharing arrangements with the Department of Revenue and any other governmental agency in order to perform income verification related to eligibility and premium payment under the MinnesotaCare program.

Subd. 3. **Effective date of coverage.** (a) The effective date of coverage is the first day of the month following the month in which eligibility is approved and the first premium payment has been received. The effective date of coverage for new members added to the family is the first day of the month following the month in which the change is reported. All eligibility criteria must be met by the family at the time the new family member is added. The income of the new family member is included with the family's modified adjusted gross income and the adjusted premium begins in the month the new family member is added.

(b) The initial premium must be received by the last working day of the month for coverage to begin the first day of the following month.

(c) Notwithstanding any other law to the contrary, benefits under sections 256L.01 to 256L.18 are secondary to a plan of insurance or benefit program under which an eligible person may have coverage and the commissioner shall use cost avoidance techniques to ensure coordination of any other health coverage for eligible persons. The commissioner shall identify eligible persons who may have coverage or benefits under other plans of insurance or who become eligible for medical assistance.

(d) The effective date of coverage for individuals or families who are exempt from paying premiums under section 256L.15, subdivision 1, paragraph (c), is the first day of the month following the month in which verification of American Indian status is received or eligibility is approved, whichever is later.

Subd. 3a. **Renewal of eligibility.** (a) Beginning July 1, 2007, an enrollee's eligibility must be renewed every 12 months. The 12-month period begins in the month after the month the application is approved.

(b) Each new period of eligibility must take into account any changes in circumstances that impact eligibility and premium amount. An enrollee must provide all the information needed to redetermine eligibility by the first day of the month that ends the eligibility period. The premium for the new period of eligibility must be received as provided in section 256L.06 in order for eligibility to continue.

(c) For children enrolled in MinnesotaCare, the first period of renewal begins the month the enrollee turns 21 years of age.

Subd. 3c. **Retroactive coverage.** Notwithstanding subdivision 3, the effective date of coverage shall be the first day of the month following termination from medical assistance for families and individuals who are eligible for MinnesotaCare and who submitted a written request for retroactive MinnesotaCare coverage with a completed application within 30 days of the mailing of notification of termination from medical assistance. The applicant must provide all required verifications within 30 days of the written request for verification. For retroactive coverage, premiums must be paid in full for any retroactive month, current month, and next month within 30 days of the premium billing. This subdivision does not apply, and shall not be implemented by the commissioner, once eligibility determination for MinnesotaCare is conducted by the MNsure eligibility determination system.

Subd. 4. **Application processing.** The commissioner of human services shall determine an applicant's eligibility for MinnesotaCare no more than 30 days from the date that the application is received by the Department of Human Services. Beginning January 1, 2000, this requirement also applies to local county human services agencies that determine eligibility for MinnesotaCare.

Subd. 5. **Availability of private insurance.** The commissioner, in consultation with the commissioners of health and commerce, shall provide information regarding the availability of private health insurance coverage and the possibility of disenrollment under section 256L.07, subdivision 1, to all: (1) families enrolled in the MinnesotaCare program whose gross family income is equal to or more than 225 percent of the federal poverty guidelines; and (2) single adults and households without children enrolled in the MinnesotaCare program whose gross family income is equal to or more than 165 percent of the federal poverty guidelines. This information must be provided upon initial enrollment and annually thereafter. The commissioner shall also include information regarding the availability of private health insurance coverage in the notice of ineligibility provided to persons subject to disenrollment under section 256L.07, subdivision 1.

Subd. 6. **Referral of veterans.** The commissioner shall ensure that all applicants for MinnesotaCare who identify themselves as veterans are referred to a county veterans service

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officer for assistance in applying to the United States Department of Veterans Affairs for any veterans benefits for which they may be eligible.

256L.06 PREMIUM ADMINISTRATION.

Subd. 3. **Commissioner's duties and payment.** (a) Premiums are dedicated to the commissioner for MinnesotaCare.

(b) The commissioner shall develop and implement procedures to: (1) require enrollees to report changes in income; (2) adjust sliding scale premium payments, based upon both increases and decreases in enrollee income, at the time the change in income is reported; and (3) disenroll enrollees from MinnesotaCare for failure to pay required premiums. Failure to pay includes payment with a dishonored check, a returned automatic bank withdrawal, or a refused credit card or debit card payment. The commissioner may demand a guaranteed form of payment, including a cashier's check or a money order, as the only means to replace a dishonored, returned, or refused payment.

(c) Premiums are calculated on a calendar month basis and may be paid on a monthly, quarterly, or semiannual basis, with the first payment due upon notice from the commissioner of the premium amount required. The commissioner shall inform applicants and enrollees of these premium payment options. Premium payment is required before enrollment is complete and to maintain eligibility in MinnesotaCare. Premium payments received before noon are credited the same day. Premium payments received after noon are credited on the next working day.

(d) Nonpayment of the premium will result in disenrollment from the plan effective for the calendar month for which the premium was due. Persons disenrolled for nonpayment who pay all past due premiums as well as current premiums due, including premiums due for the period of disenrollment, within 20 days of disenrollment, shall be reenrolled retroactively to the first day of disenrollment.

256L.07 ELIGIBILITY FOR MINNESOTACARE.

Subdivision 1. **General requirements.** Individuals enrolled in MinnesotaCare under section 256L.04, subdivision 1, and individuals enrolled in MinnesotaCare under section 256L.04, subdivision 7, whose income increases above 200 percent of the federal poverty guidelines, are no longer eligible for the program and shall be disenrolled by the commissioner. For persons disenrolled under this subdivision, MinnesotaCare coverage terminates the last day of the calendar month following the month in which the commissioner determines that the income of a family or individual exceeds program income limits.

Subd. 2. **Must not have access to employer-subsidized minimum essential coverage.**

(a) To be eligible, a family or individual must not have access to subsidized health coverage that is affordable and provides minimum value as defined in Code of Federal Regulations, title 26, section 1.36B-2.

(b) This subdivision does not apply to a family or individual who no longer has employer-subsidized coverage due to the employer terminating health care coverage as an employee benefit.

Subd. 3. **Other health coverage.** (a) To be eligible, a family or individual must not have minimum essential health coverage, as defined by section 5000A of the Internal Revenue Code.

(b) For purposes of this subdivision, an applicant or enrollee who is entitled to Medicare Part A or enrolled in Medicare Part B coverage under title XVIII of the Social Security Act, United States Code, title 42, sections 1395c to 1395w-152, is considered to have minimum essential health coverage. An applicant or enrollee who is entitled to premium-free Medicare Part A may not refuse to apply for or enroll in Medicare coverage to establish eligibility for MinnesotaCare.

Subd. 4. **Families with children in need of chemical dependency treatment.** Premiums for families with children when a parent has been determined to be in need of chemical dependency treatment pursuant to an assessment conducted by the county under section 626.556, subdivision 10, or a case plan under section 260C.201, subdivision 6, or 260C.212, who are eligible for MinnesotaCare under section 256L.04, subdivision 1, may be paid by the county of residence of the person in need of treatment for one year from the date the family is determined to be eligible or if the family is currently enrolled in MinnesotaCare from the date the person is determined to be in need of chemical dependency treatment. Upon renewal, the family is responsible for any premiums owed under section 256L.15. If the family is not currently enrolled in MinnesotaCare,

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the local county human services agency shall determine whether the family appears to meet the eligibility requirements and shall assist the family in applying for the MinnesotaCare program.

256L.09 RESIDENCY.

Subdivision 1. **Findings and purpose.** The legislature finds that the enactment of a comprehensive health plan for uninsured Minnesotans creates a risk that persons needing medical care will migrate to the state for the primary purpose of obtaining medical care subsidized by the state. The risk of migration undermines the state's ability to provide to legitimate state residents a valuable and necessary health care program which is an important component of the state's comprehensive cost containment and health care system reform plan. Intent-based residency requirements, which are expressly authorized under decisions of the United States Supreme Court, are an unenforceable and ineffective method of denying benefits to those persons the Supreme Court has stated may legitimately be denied eligibility for state programs. If the state is unable to limit eligibility to legitimate permanent residents of the state, the state faces a significant risk that it will be forced to reduce the eligibility and benefits it would otherwise provide to Minnesotans. The legislature finds that a durational residence requirement is a legitimate, objective, enforceable standard for determining whether a person is a permanent resident of the state. The legislature also finds low-income persons who have not lived in the state for the required time period will have access to necessary health care services through the general assistance medical care program, the medical assistance program, and public and private charity care programs.

Subd. 2. **Residency requirement.** To be eligible for health coverage under the MinnesotaCare program, individuals and families with children must meet the residency requirements as provided by Code of Federal Regulations, title 42, section 435.403.

Subd. 4. **Eligibility as Minnesota resident.** (a) For purposes of this section, a permanent Minnesota resident is a person who has demonstrated, through persuasive and objective evidence, that the person is domiciled in the state and intends to live in the state permanently.

(b) To be eligible as a permanent resident, an applicant must demonstrate the requisite intent to live in the state permanently by:

(1) showing that the applicant maintains a residence at a verified address, through the use of evidence of residence described in section 256D.02, subdivision 12a, paragraph (b), clause (2);

(2) demonstrating that the applicant has been continuously domiciled in the state for no less than 180 days immediately before the application; and

(3) signing an affidavit declaring that (A) the applicant currently resides in the state and intends to reside in the state permanently; and (B) the applicant did not come to the state for the primary purpose of obtaining medical coverage or treatment.

(c) A person who is temporarily absent from the state does not lose eligibility for MinnesotaCare. "Temporarily absent from the state" means the person is out of the state for a temporary purpose and intends to return when the purpose of the absence has been accomplished. A person is not temporarily absent from the state if another state has determined that the person is a resident for any purpose. If temporarily absent from the state, the person must follow the requirements of the health plan in which the person is enrolled to receive services.

Subd. 5. **Persons excluded as permanent residents.** An individual or family that moved to Minnesota primarily to obtain medical treatment or health coverage for a preexisting condition is not a permanent resident.

Subd. 6. **12-month preexisting exclusion.** If the 180-day requirement in subdivision 4, paragraph (b), clause (2), is determined by a court to be unconstitutional, the commissioner of human services shall impose a 12-month preexisting condition exclusion on coverage for persons who have been domiciled in the state for less than 180 days.

Subd. 7. **Effect of a court determination.** If any paragraph, sentence, clause, or phrase of this section is for any reason determined by a court to be unconstitutional, the decision shall not affect the validity of the remaining portions of the section. The legislature declares that it would have passed each paragraph, sentence, clause, and phrase in this section, irrespective of the fact that any one or more paragraphs, sentences, clauses, or phrases is declared unconstitutional.

256L.10 APPEALS.

If the commissioner suspends, reduces, or terminates eligibility for the MinnesotaCare program, or services provided under the MinnesotaCare program, the commissioner must provide notification according to the laws and rules governing the medical assistance program. A

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MinnesotaCare program applicant or enrollee aggrieved by a determination of the commissioner has the right to appeal the determination according to section 256.045.

256L.11 PROVIDER PAYMENT.

Subdivision 1. **Medical assistance rate to be used.** Payment to providers under this chapter shall be at the same rates and conditions established for medical assistance, except as provided in this section.

Subd. 2. **Payment of certain providers.** Services provided by federally qualified health centers, rural health clinics, and facilities of the Indian health service shall be paid for according to the same rates and conditions applicable to the same service provided by providers that are not federally qualified health centers, rural health clinics, or facilities of the Indian health service.

Subd. 2a. **Payment rates; services for families and children under the MinnesotaCare health care reform waiver.** Subdivision 2 shall not apply to services provided to families with children who are eligible according to section 256L.04, subdivision 1, paragraph (a).

Subd. 3. **Inpatient hospital services.** Inpatient hospital services provided under section 256L.03, subdivision 3, shall be at the medical assistance rate.

Subd. 4. **Definition of medical assistance rate for inpatient hospital services.** The "medical assistance rate," as used in this section to apply to rates for providing inpatient hospital services, means the rates established under sections 256.9685 to 256.9695 for providing inpatient hospital services to medical assistance recipients who receive Minnesota family investment program assistance.

Subd. 7. **Critical access dental providers.** Effective for dental services provided to MinnesotaCare enrollees on or after January 1, 2007, through August 31, 2011, the commissioner shall increase payment rates to dentists and dental clinics deemed by the commissioner to be critical access providers under section 256B.76, subdivision 4, by 50 percent above the payment rate that would otherwise be paid to the provider. Effective for dental services provided on or after September 1, 2011, the commissioner shall increase the payment rate by 30 percent above the payment rate that would otherwise be paid to the provider. The commissioner shall pay the prepaid health plans under contract with the commissioner amounts sufficient to reflect this rate increase. The prepaid health plan must pass this rate increase to providers who have been identified by the commissioner as critical access dental providers under section 256B.76, subdivision 4.

256L.12 MANAGED CARE.

Subdivision 1. **Selection of vendors.** In order to contain costs, the commissioner of human services shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall, where possible, contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for managed care plans and managed care-like entities as defined by the final regulation implementing section 1331 of the Affordable Care Act regarding basic health plans, which may include: prepaid capitation programs, competitive bidding programs, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided.

Subd. 2. **Geographic area.** The commissioner shall designate the geographic areas in which eligible individuals must receive services through managed care plans.

Subd. 3. **Limitation of choice.** Persons enrolled in the MinnesotaCare program who reside in the designated geographic areas must enroll in a managed care plan to receive their health care services. Enrollees must receive their health care services from health care providers who are part of the managed care plan provider network, unless authorized by the managed care plan, in cases of medical emergency, or when otherwise required by law or by contract.

If only one managed care option is available in a geographic area, the managed care plan may require that enrollees designate a primary care provider from which to receive their health care. Enrollees will be permitted to change their designated primary care provider upon request to the managed care plan. Requests to change primary care providers may be limited to once annually. If more than one managed care plan is offered in a geographic area, enrollees will be enrolled in a managed care plan for up to one year from the date of enrollment, but shall have the right to change to another managed care plan once within the first year of initial enrollment. Enrollees may also change to another managed care plan during an annual 30-day open enrollment period. Enrollees shall be notified of the opportunity to change to another managed care plan before the start of each annual open enrollment period.

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Enrollees may change managed care plans or primary care providers at other than the above designated times for cause as determined through an appeal pursuant to section 256.045.

Subd. 4. **Exemptions to limitations on choice.** All contracts between the Department of Human Services and prepaid health plans to serve medical assistance, general assistance medical care, and MinnesotaCare recipients must comply with the requirements of United States Code, title 42, section 1396a (a)(23)(B), notwithstanding any waivers authorized by the United States Department of Health and Human Services pursuant to United States Code, title 42, section 1315.

Subd. 5. **Eligibility for other state programs.** MinnesotaCare enrollees who become eligible for medical assistance will remain in the same managed care plan if the managed care plan has a contract for that population. MinnesotaCare enrollees who were formerly eligible for general assistance medical care pursuant to section 256D.03, subdivision 3, within six months of MinnesotaCare enrollment and were enrolled in a prepaid health plan pursuant to section 256D.03, subdivision 4, paragraph (c), must remain in the same managed care plan if the managed care plan has a contract for that population. Managed care plans must participate in the MinnesotaCare program under a contract with the Department of Human Services in service areas where they participate in the medical assistance program.

Subd. 6. **Co-payments and benefit limits.** Enrollees are responsible for all co-payments in section 256L.03, subdivision 5, and shall pay co-payments to the managed care plan or to its participating providers. The enrollee is also responsible for payment of inpatient hospital charges which exceed the MinnesotaCare benefit limit.

Subd. 7. **Managed care plan vendor requirements.** The following requirements apply to all counties or vendors who contract with the Department of Human Services to serve MinnesotaCare recipients. Managed care plan contractors:

(1) shall authorize and arrange for the provision of the full range of services listed in section 256L.03 in order to ensure appropriate health care is delivered to enrollees;

(2) shall accept the prospective, per capita payment or other contractually defined payment from the commissioner in return for the provision and coordination of covered health care services for eligible individuals enrolled in the program;

(3) may contract with other health care and social service practitioners to provide services to enrollees;

(4) shall provide for an enrollee grievance process as required by the commissioner and set forth in the contract with the department;

(5) shall retain all revenue from enrollee co-payments;

(6) shall accept all eligible MinnesotaCare enrollees, without regard to health status or previous utilization of health services;

(7) shall demonstrate capacity to accept financial risk according to requirements specified in the contract with the department. A health maintenance organization licensed under chapter 62D, or a nonprofit health plan licensed under chapter 62C, is not required to demonstrate financial risk capacity, beyond that which is required to comply with chapters 62C and 62D; and

(8) shall submit information as required by the commissioner, including data required for assessing enrollee satisfaction, quality of care, cost, and utilization of services.

Subd. 8. **Chemical dependency assessments.** The managed care plan shall be responsible for assessing the need and placement for chemical dependency services according to criteria set forth in Minnesota Rules, parts 9530.6600 to 9530.6660.

Subd. 9. **Rate setting; performance withholds.** (a) Rates will be prospective, per capita, where possible. The commissioner may allow health plans to arrange for inpatient hospital services on a risk or nonrisk basis. The commissioner shall consult with an independent actuary to determine appropriate rates.

(b) For services rendered on or after January 1, 2004, the commissioner shall withhold five percent of managed care plan payments and county-based purchasing plan payments under this section pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. Clinical or utilization performance targets and their related criteria must consider evidence-based research and reasonable interventions, when available or applicable to the populations served, and must be developed with input from external clinical experts and stakeholders, including managed care plans, county-based purchasing plans, and providers. The managed care plan must demonstrate, to the commissioner's satisfaction, that the data submitted regarding attainment of the performance target is accurate. The commissioner shall periodically change the administrative measures used as performance targets in order to improve plan performance across a broader range of administrative services. The performance targets must include measurement of plan efforts to contain spending on health care

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services and administrative activities. The commissioner may adopt plan-specific performance targets that take into account factors affecting only one plan, such as characteristics of the plan's enrollee population. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if performance targets in the contract are achieved.

(c) For services rendered on or after January 1, 2011, the commissioner shall withhold an additional three percent of managed care plan or county-based purchasing plan payments under this section. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year. The return of the withhold under this paragraph is not subject to the requirements of paragraph (b).

(d) Effective for services rendered on or after January 1, 2011, through December 31, 2011, the commissioner shall include as part of the performance targets described in paragraph (b) a reduction in the plan's emergency room utilization rate for state health care program enrollees by a measurable rate of five percent from the plan's utilization rate for the previous calendar year. Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (b) a reduction in the health plan's emergency department utilization rate for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. For 2012, the reductions shall be based on the health plan's utilization in 2009. To earn the return of the withhold each subsequent year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of no less than ten percent of the plan's utilization rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in section 256B.69, subdivisions 23 and 28, compared to the previous measurement year, until the final performance target is reached. When measuring performance, the commissioner must consider the difference in health risk in a managed care or county-based purchasing plan's membership in the baseline year compared to the measurement year, and work with the managed care or county-based purchasing plan to account for differences that they agree are significant.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a reduction in the utilization rate was achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.

The withhold described in this paragraph shall continue for each consecutive contract period until the plan's emergency room utilization rate for state health care program enrollees is reduced by 25 percent of the plan's emergency room utilization rate for medical assistance and MinnesotaCare enrollees for calendar year 2009. Hospitals shall cooperate with the health plans in meeting this performance target and shall accept payment withholds that may be returned to the hospitals if the performance target is achieved.

(e) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (b) a reduction in the plan's hospitalization admission rate for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. To earn the return of the withhold each year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of no less than five percent of the plan's hospital admission rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in section 256B.69, subdivisions 23 and 28, compared to the previous calendar year, until the final performance target is reached. When measuring performance, the commissioner must consider the difference in health risk in a managed care or county-based purchasing plan's membership in the baseline year compared to the measurement year, and work with the managed care or county-based purchasing plan to account for differences that they agree are significant.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that this reduction in the hospitalization rate was achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.

The withhold described in this paragraph shall continue until there is a 25 percent reduction in the hospitals admission rate compared to the hospital admission rate for calendar year 2011 as determined by the commissioner. Hospitals shall cooperate with the plans in meeting this performance target and shall accept payment withholds that may be returned to the hospitals if the performance target is achieved. The hospital admissions in this performance target do

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not include the admissions applicable to the subsequent hospital admission performance target under paragraph (f).

(f) Effective for services provided on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (b) a reduction in the plan's hospitalization rate for a subsequent hospitalization within 30 days of a previous hospitalization of a patient regardless of the reason, for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. To earn the return of the withhold each year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of the subsequent hospital admissions rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in section 256B.69, subdivisions 23 and 28, of no less than five percent compared to the previous calendar year until the final performance target is reached.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a reduction in the subsequent hospitalization rate was achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.

The withhold described in this paragraph must continue for each consecutive contract period until the plan's subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees is reduced by 25 percent of the plan's subsequent hospitalization rate for calendar year 2011. Hospitals shall cooperate with the plans in meeting this performance target and shall accept payment withholds that must be returned to the hospitals if the performance target is achieved.

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

Subd. 9a. **Rate setting; ratable reduction.** For services rendered on or after October 1, 2003, the total payment made to managed care plans under the MinnesotaCare program is reduced 1.0 percent. This provision excludes payments for mental health services added as covered benefits after December 31, 2007.

Subd. 9b. **Rate setting; ratable reduction.** In addition to the reduction in subdivision 9a, the total payment made to managed care plans under the MinnesotaCare program shall be reduced for services provided on or after January 1, 2006, to reflect a 6.0 percent reduction in reimbursement for inpatient hospital services.

Subd. 10. **Childhood immunization.** Each managed care plan contracting with the Department of Human Services under this section shall collaborate with the local public health agencies to ensure childhood immunization to all enrolled families with children. As part of this collaboration the plan must provide the families with a recommended immunization schedule.

Subd. 11. **Coverage at Indian health service facilities.** For American Indian enrollees of MinnesotaCare, MinnesotaCare shall cover health care services provided at Indian health service facilities and facilities operated by a tribe or tribal organization under funding authorized by United States Code, title 25, sections 450f to 450n, or title III of the Indian Self-Determination and Education Act, Public Law 93-638, if those services would otherwise be covered under section 256L.03. Payments for services provided under this subdivision shall be made on a fee-for-service basis, and may, at the option of the tribe or organization, be made at the rates authorized under sections 256.969, subdivision 16, and 256B.0625, subdivision 34, for those MinnesotaCare enrollees eligible for coverage at medical assistance rates. For purposes of this subdivision, "American Indian" has the meaning given to persons to whom services will be provided for in Code of Federal Regulations, title 42, section 36.12.

256L.121 SERVICE DELIVERY.

Subdivision 1. **Competitive process.** The commissioner of human services shall establish a competitive process for entering into contracts with participating entities for the offering of standard health plans through MinnesotaCare. Coverage through standard health plans must be available to enrollees beginning January 1, 2015. Each standard health plan must cover the health services listed in and meet the requirements of section 256L.03. The competitive process must meet the requirements of section 1331 of the Affordable Care Act and be designed to ensure enrollee access to high-quality health care coverage options. The commissioner, to the extent feasible, shall seek to ensure that enrollees have a choice of coverage from more than one participating entity within a geographic area. In counties that were part of a county-based purchasing plan on January 1, 2013, the commissioner shall use the medical assistance competitive procurement process under section 256B.69, subdivisions 1 to 32, under which

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selection of entities is based on criteria related to provider network access, coordination of health care with other local services, alignment with local public health goals, and other factors.

Subd. 2. Other requirements for participating entities. The commissioner shall require participating entities, as a condition of contract, to document to the commissioner:

(1) the provision of culturally and linguistically appropriate services, including marketing materials, to MinnesotaCare enrollees; and

(2) the inclusion in provider networks of providers designated as essential community providers under section 62Q.19.

Subd. 3. Coordination with state-administered health programs. The commissioner shall coordinate the administration of the MinnesotaCare program with medical assistance to maximize efficiency and improve the continuity of care. This includes, but is not limited to:

(1) establishing geographic areas for MinnesotaCare that are consistent with the geographic areas of the medical assistance program, within which participating entities may offer health plans;

(2) requiring, as a condition of participation in MinnesotaCare, participating entities to also participate in the medical assistance program;

(3) complying with sections 256B.69, subdivision 3a; 256B.692, subdivision 1; and 256B.694, when contracting with MinnesotaCare participating entities;

(4) providing MinnesotaCare enrollees, to the extent possible, with the option to remain in the same health plan and provider network, if they later become eligible for medical assistance or coverage through MNsure and if, in the case of becoming eligible for medical assistance, the enrollee's MinnesotaCare health plan is also a medical assistance health plan in the enrollee's county of residence; and

(5) establishing requirements and criteria for selection that ensure that covered health care services will be coordinated with local public health services, social services, long-term care services, mental health services, and other local services affecting enrollees' health, access, and quality of care.

256L.15 PREMIUMS.

Subdivision 1. Premium determination. (a) Families with children and individuals shall pay a premium determined according to subdivision 2.

(b) Members of the military and their families who meet the eligibility criteria for MinnesotaCare upon eligibility approval made within 24 months following the end of the member's tour of active duty shall have their premiums paid by the commissioner. The effective date of coverage for an individual or family who meets the criteria of this paragraph shall be the first day of the month following the month in which eligibility is approved. This exemption applies for 12 months.

(c) Beginning July 1, 2009, American Indians enrolled in MinnesotaCare and their families shall have their premiums waived by the commissioner in accordance with section 5006 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5. An individual must document status as an American Indian, as defined under Code of Federal Regulations, title 42, section 447.50, to qualify for the waiver of premiums.

Subd. 1a. Payment options. The commissioner may offer the following payment options to an enrollee:

(1) payment by check;

(2) payment by credit card;

(3) payment by recurring automatic checking withdrawal;

(4) payment by onetime electronic transfer of funds;

(5) payment by wage withholding with the consent of the employer and the employee; or

(6) payment by using state tax refund payments.

At application or reapplication, a MinnesotaCare applicant or enrollee may authorize the commissioner to use the Revenue Recapture Act in chapter 270A to collect funds from the applicant's or enrollee's refund for the purposes of meeting all or part of the applicant's or enrollee's MinnesotaCare premium obligation. The applicant or enrollee may authorize the commissioner to apply for the state working family tax credit on behalf of the applicant or enrollee. The setoff due under this subdivision shall not be subject to the \$10 fee under section 270A.07, subdivision 1.

Subd. 1b. Payments nonrefundable. Only MinnesotaCare premiums paid for future months of coverage for which a health plan capitation fee has not been paid may be refunded.

Subd. 2. Sliding fee scale; monthly individual or family income. (a) The commissioner shall establish a sliding fee scale to determine the percentage of monthly individual or family income that households at different income levels must pay to obtain coverage through the

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MinnesotaCare program. The sliding fee scale must be based on the enrollee's monthly individual or family income.

(b) Beginning January 1, 2014, MinnesotaCare enrollees shall pay premiums according to the premium scale specified in paragraph (c) with the exception that children 20 years of age and younger in families with income at or below 200 percent of the federal poverty guidelines shall pay no premiums.

(c) The following premium scale is established for each individual in the household who is 21 years of age or older and enrolled in MinnesotaCare:

Federal Poverty Guideline		Individual Premium Amount
Greater than or Equal to	Less than	
0%	55%	\$4
55%	80%	\$6
80%	90%	\$8
90%	100%	\$10
100%	110%	\$12
110%	120%	\$15
120%	130%	\$18
130%	140%	\$21
140%	150%	\$25
150%	160%	\$29
160%	170%	\$33
170%	180%	\$38
180%	190%	\$43
190%		\$50

256L.18 PENALTIES.

Whoever obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, or by the intentional withholding or concealment of a material fact, or by impersonation, or other fraudulent device:

(1) benefits under the MinnesotaCare program to which the person is not entitled; or

(2) benefits under the MinnesotaCare program greater than that to which the person is reasonably entitled;

shall be considered to have violated section 256.98, and shall be subject to both the criminal and civil penalties provided under that section.

256L.22 DEFINITION; CHILDREN'S HEALTH PROGRAM.

For purposes of sections 256L.22 to 256L.28, "children's health program" means the medical assistance and MinnesotaCare programs to the extent medical assistance and MinnesotaCare provide health coverage to children.

256L.24 HEALTH CARE ELIGIBILITY FOR CHILDREN.

Subdivision 1. **Applicability.** This section applies to children who are enrolled in a children's health program.

Subd. 2. **Application procedure.** The commissioner shall develop an application form for children's health programs for children that is easily understandable and does not exceed four pages in length. The provisions of section 256L.05, subdivision 1, apply.

Subd. 3. **Premiums.** Children enrolled in MinnesotaCare shall pay premiums as provided in section 256L.15.

Subd. 4. **Eligibility renewal.** The commissioner shall require children enrolled in MinnesotaCare to renew eligibility every 12 months.

256L.26 ASSISTANCE TO APPLICANTS.

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The commissioner shall assist children in choosing a managed care organization to receive services under a children's health program, by:

- (1) establishing a Web site to provide information about managed care organizations and to allow online enrollment;
- (2) making applications and information on managed care organizations available to applicants and enrollees according to Title VI of the Civil Rights Act and federal regulations adopted under that law or any guidance from the United States Department of Health and Human Services; and
- (3) making benefit educators available to assist applicants in choosing a managed care organization.

256L.28 FEDERAL APPROVAL.

The commissioner shall seek all federal waivers and approvals necessary to implement sections 256L.22 to 256L.28, including, but not limited to, waivers and approvals necessary to:

- (1) coordinate medical assistance and MinnesotaCare coverage for children; and
- (2) maximize receipt of the federal medical assistance match for covered children, by increasing income standards through the use of more liberal income methodologies as provided under United States Code, title 42, sections 1396a and 1396u-1.

3400.0170 INCOME ELIGIBILITY FOR CHILD CARE ASSISTANCE.

Subp. 5. **Earned income of wage and salary employees.** Earned income means earned income from employment before mandatory and voluntary payroll deductions. Earned income includes, but is not limited to, salaries, wages, tips, gratuities, commissions, incentive payments from work or training programs, payments made by an employer for regularly accrued vacation or sick leave, payment for jury duty, and profits from other activity earned by an individual's effort or labor. Earned income includes uniform, mileage, and meal allowances if federal income tax is deducted from the allowance. Earned income includes flexible work benefits received from an employer if the employee has the option of receiving the benefit or benefits in cash. Earned income received by persons employed on a contractual basis must be prorated over the period covered by the contract even when payments are received over a lesser period of time. When housing is provided as part of the total work compensation, the fair market value of such housing shall be considered as if it were paid in cash.

3400.0170 INCOME ELIGIBILITY FOR CHILD CARE ASSISTANCE.

Subp. 6. **Excluded income.** The administering agency shall exclude items A to H from annual income:

- A. scholarships, work-study income, and grants that cover costs or reimburse for tuition, fees, books, and educational supplies;
- B. student loans for tuition, fees, books, supplies, and living expenses;
- C. state and federal earned income tax credits, in-kind noncash public assistance income such as food stamps or food support, energy assistance, foster care assistance, child care assistance, medical assistance, and housing subsidies;
- D. earned income of full-time or part-time students up to the age of 19 who have not earned a high school diploma or GED high school equivalency diploma, including earnings from summer employment;
- E. grant awards under the family subsidy program;
- F. nonrecurring lump sum income that is earmarked and used for the purpose for which it is paid;
- G. supplemental security income; and
- H. income assigned to the public authority under Minnesota Statutes, section 256.741.

3400.0170 INCOME ELIGIBILITY FOR CHILD CARE ASSISTANCE.

Subp. 12. **Determination of unearned income.** Unearned income includes, but is not limited to, the cash portion of MFIP or DWP; adoption assistance; relative custody assistance received under Minnesota Statutes, section 257.85; interest; dividends; unemployment compensation; disability insurance payments; veteran benefits; pension payments; child support and spousal support received or anticipated to be received by a family including child support and maintenance distributed to the family under Minnesota Statutes, section 256.741, subdivision 15; insurance payments or settlements; retirement; survivor's and disability insurance (RSDI) payment; and severance payments. Expenditures necessary to secure payment of unearned income are deducted from unearned income. Payments for illness or disability, except for those payments described as earned income in subpart 5, are considered unearned income whether the premium payments are made wholly or in part by an employer or by a recipient.

3400.0170 INCOME ELIGIBILITY FOR CHILD CARE ASSISTANCE.

Subp. 13. **Treatment of lump-sum payments.** Lump-sum payments received by a family must be considered earned income under subparts 7 to 11 or unearned income according to subpart 12. Nonrecurring lump sums that are earmarked and used for the purpose for which they are paid are not to be included in the determination of income. All other lump sums are to be annualized over 12 months. The sale of property including, but not limited to, a residence is not considered income up to the amount of the original purchase price plus improvements.