

\$2,000,000 is appropriated from the general fund to the hazardous substance injury compensation fund, to be available until expended. Up to \$250,000 of this appropriation may be used for staff assistance, administrative services, and office space.

Sec. 19. **REPEALER.**

Minnesota Statutes 1984, sections 115B.06, subdivision 2; and 115B.07, are repealed.

Sec. 20. **EFFECTIVE DATE.**

Sections 1 to 19 are effective July 1, 1985.

Approved June 25, 1985

CHAPTER 9 — S.F.No. 19

An act relating to the organization and operation of state government; appropriating money for human services, corrections, health, economic security, and other purposes with certain conditions; amending Minnesota Statutes 1984, sections 62E.06, subdivision 1; 129A.01; 129A.03; 129A.07, subdivision 1; 129A.08, subdivision 5; 144.70; 145.912, subdivision 15; 145.917, subdivision 2; 145.917, subdivisions 3 and 4; 145.921; 145.922; 171.29, subdivision 2; 214.06, subdivision 1; 241.01, subdivision 7; 241.71; 252.025, subdivision 1; 252.28, subdivision 1; 254.05; 256.737; 256.82, subdivision 2; 256.87, subdivision 1; 256.871, subdivision 4; 256.969, subdivisions 1, 2, and by adding a subdivision; 256B.04, subdivision 14; 256B.062; 256B.092, subdivisions 1, 2, 7, 8, and by adding subdivisions; 256B.19, subdivision 1; 256B.41, by adding a subdivision; 256B.421, subdivision 1; 256B.48, by adding subdivisions; 256B.503; 256D.01, subdivisions 1a and 1b; 256D.03, subdivisions 4 and 6; 256D.05, subdivision 1; 256D.09, subdivision 1, and by adding a subdivision; 256D.111, subdivision 5; 256D.37, subdivisions 1 and 2; 256E.08, subdivision 1; 256E.12, subdivision 3; 260.311, subdivision 5; 260.38; 268.672, subdivisions 6 and 11; 268.673, subdivision 2; 268.674, subdivision 1; 268.675; 268.676, subdivisions 1 and 2; 268.677; 268.678, subdivision 2; 268.679, subdivision 1; 268.68; 268.685; 390.11, by adding subdivisions; 393.07, subdivision 2; 401.01, subdivision 1; 401.13; 517.08, subdivisions 1b and 1c; 611A.34, subdivision 1; and 624.713, subdivision 1; Laws 1984, chapter 616, section 1; proposing coding for new law in Minnesota Statutes, chapters 62A, 129A, 144, 145, 256B, 256D, and 256F; repealing Minnesota Statutes 1984, sections 62D.25; 62D.26; 62D.28; 62D.29; 62E.17; 145.912, subdivisions 16, 17, and 18; 256.967; 256D.111, subdivisions 1, 2, 3, and 4; 259.405; and 268.686.

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

ARTICLE 1

**Section 1. HUMAN SERVICES, CORRECTIONS, HEALTH; AP-
PROPRIATIONS.**

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

and house of representatives, a true copy of which is on file in the office of the commissioner of finance. If federal money anticipated is less than that shown on the official worksheets, the commissioner of finance shall reduce the amount available from the direct appropriation a corresponding amount. The reductions must be noted in the budget document submitted to the 75th legislature in addition to an estimate of similar federal money anticipated for the 1987-1989 biennium.

Subd. 2. Human Services Management	1,484,000	1,486,000
Subd. 3. Support Services	15,067,000	14,914,000

Federal money received during the biennium for a study of home equity conversion to finance long-term care insurance is appropriated to the commissioner of human services for purposes of the study.

\$140,000 of this appropriation is available to the commissioner of human services to administer a study of reimbursement mechanisms for providers of services for mentally retarded people. Federal money received during the biennium to administer the study is appropriated to the commissioner. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 4. Social Services	69,830,200	72,012,700
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The commissioner may use money from available social service appropriations to pay appropriate administrative and training costs associated with child foster care programs to maximize federal reimbursement under title IV-E of the social security act, United State Code, title 42, sections 670 to 676. State money may be used for this purpose only if the money is replaced by other federal or state money so that there is no reduction or delay in payments for any of the programs involved. Notwithstanding any other law, transfers must be disregarded when applying the formula for allocation of state social service money and must not

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The amounts that may be spent from this appropriation for each activity are as follows:

(a) Aid to Families with Dependent Children, General Assistance, Minnesota Supplemental Assistance

\$143,329,500 \$152,961,000

If the appropriation for aid to families with dependent children, general assistance, and Minnesota supplemental assistance is insufficient for either year, the appropriation for the other year is available by direction of the governor after consulting with the legislative advisory commission.

During the biennium ending June 30, 1987, the commissioner of human services shall provide supplementary grants not to exceed \$816,800 a year for aid to families with dependent children and include the following costs in determining the amount of the supplementary grants: major home repairs; repair of major home appliances; utility recaps; supplementary dietary needs not covered by medical assistance; replacement of essential household furnishings and essential major appliances; and employment-related child care, transportation, and educational expenses. Of this amount, \$616,800 is for employment-related child care, transportation, and educational expenses.

Notwithstanding any law to the contrary, when federal money is available to match state money, the commissioner of human services may transfer to the special needs account of the aid to families with dependent children program any part of the appropriation for day care sliding fee services, Minnesota Statutes, section 245.84, provided to persons or families who are receiving aid to families with dependent children payments. Federal money received during the biennium for child care services under this rider is appropriated to the commissioner of human services for day care sliding fee services.

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Notwithstanding Minnesota Statutes 1984, sections 256D.06, subdivision 4, and 256D.44, or any other law to the contrary, counties are directed to maintain services for adult mentally ill persons in community residential facilities at the level required by licensure standards.

\$35,000 of the first year's appropriation is for an aid to families with dependent children alternative health insurance project. An amount equal to the savings in the aid to families with dependent children program that result from the project may be transferred from the aid to families with dependent children appropriation to the assistance payments policy activity to continue the project until June 30, 1987, after approval by the chair of the senate finance subcommittee of health and human services and the chair of the house human services division of appropriations. The commissioner may use this money as a state match to obtain commitments of private money for alternative health insurance projects for the uninsured poor.

The commissioner shall increase aid to families with dependent children and general assistance grants by one percent on July 1, 1985, and one percent on July 1, 1986, unless federal statute or regulation requires otherwise.

For the biennium ending June 30, 1987, all taxes paid to the county treasurer on or after July 1, 1985, under Minnesota Statutes, sections 287.01 to 287.12, must be credited to the county revenue fund.

On or before the tenth day of each month, the county treasurer shall determine the receipts from the mortgage registration tax and the deed transfer tax during the preceding month. The treasurer shall report to the county welfare agency on or before the tenth day of each month 95 percent of the receipts attributable to the statutory rate in Minnesota Statutes, section 287.05. That amount, in addition to 97 percent of the amount determined under Minnesota Stat-

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utes, section 287.29, must be shown as a deduction from the report filed with the department of human services as required by Minnesota Statutes, section 256.82.

Notwithstanding Minnesota Statutes 1984, section 14.35, or any other law to the contrary, Minnesota Rules, part 9555.3415, Emergency, is in effect until February 1, 1986, unless it is superseded by a permanent rule prior to that date and shall govern Minnesota Statutes, section 256D.05, subdivision 1, paragraph (a), clause (12).

(b) Medical Assistance, General Assistance Medical Care and Preadmission Screening

\$394,950,300

\$445,589,900

The cost of a nursing home preadmission screening may not exceed \$140.

The commissioner of human services shall not adopt emergency rules to implement the provisions of Minnesota Statutes, section 256B.02, subdivision 8, clause (11), related to the drug formulary.

Notwithstanding any law requiring deposit of receipts in the general fund, all receipts from collection efforts for the state hospitals and state nursing homes must be deposited in the medical assistance account and are appropriated for that purpose. The commissioner shall make changes in the departmental financial reporting systems and internal accounting procedures as necessary to ensure compliance with federal standards for reimbursement for program and administrative expenditures and to fulfill the purpose of this paragraph.

If the appropriation for medical assistance and general assistance medical care is insufficient for either year, the appropriation for the other year is available by direction of the governor after consulting with the legislative advisory commission.

\$200,000 in fiscal year 1986 and \$150,000 in fiscal year 1987 are appropriated for four positions to staff the prepayment initiatives

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under medical assistance and general assistance medical care.

Notwithstanding any law to the contrary, home and community-based alternative services for the mentally retarded provided under the federal waiver plan must be limited to 1,000 people.

To determine eligibility for medical assistance, the commissioner shall disregard, from July 1, 1985, to June 30, 1987, 20 percent of the income from retired, survivor's, and disability insurance benefits, veterans' administration benefits, and railroad retirement benefits. If this disregard is disallowed by the federal government, the commissioner shall disregard the increase for social security and supplemental security income recipients, as provided under Minnesota Statutes 1984, section 256B.06, subdivision 1, paragraph (12).

For general assistance medical care services rendered on or after November 1, 1985, general assistance medical care payments to medical care vendors must be at the 50th percentile of usual and customary fees based on medical assistance billings during calendar year 1982.

For medical assistance services rendered on or after November 1, 1985, medical assistance payments to medical care vendors for physician services, dental care, vision care, podiatric services, chiropractic care, physical therapy, occupational therapy, speech pathologists, audiologists, mental health centers, psychologists, public health clinics, and independent laboratory and x-ray services shall be limited to the 50th percentile of the usual and customary fees based upon billings during calendar year 1982. Rates paid to private duty nurses under the medical assistance program must be increased by 20 percent from the rates paid during fiscal year 1985.

On or after July 1, 1986, the commissioner shall phase out the rateable reductions in the general assistance medical care program to the extent possible using any net surplus

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projected to exist at the end of the biennium within the appropriations for medical assistance and general assistance medical care after any transfers necessary because of deficits in the aid to families with dependent children, general assistance, or Minnesota supplemental aid programs.

The maximum pharmacy dispensing fee shall be \$4.30 under medical assistance and general assistance medical care.

Federal money received during the biennium for administration of the home and community-based services waiver for persons with mental retardation is appropriated to the commissioner of human services for administration of the home and community-based services program and must be deposited in that activity's account.

The county agencies shall not authorize, nor shall the commissioner provide medical assistance funding for, services in an intermediate care facility for the mentally retarded unless an individual assessment of service needs documents that: (1) the person has mental retardation; (2) the person requires 24-hour supervision and active treatment for medical, behavioral, or habilitation needs; and (3) less restrictive or less costly services appropriate to the client's needs cannot be made available to meet the person's assessed service needs.

The commissioner may determine whether medical assistance funding should continue to be authorized for services to an individual in an intermediate care facility for the mentally retarded. The determination must be based on the review of the individual service plan and on the findings of the Minnesota department of health quality assurance and review survey and other information that the commissioner may request.

(c) Income Maintenance Support

\$ 21,537,700 \$ 21,729,700

For the child support enforcement activity, during the biennium ending June 30, 1987,

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money received from the counties for providing data processing services must be deposited in that activity's account. The money is appropriated to the commissioner of human services for the purposes of the child support enforcement activity.

In determining the income contribution of parents of children in out-of-home placement, the state agency shall use the standard in Minnesota Rules, parts 9515.1200 to 9515.2600 until the adoption of the rules required by Minnesota Statutes, section 256B.14, subdivision 2.

If the preceding rider or Laws 1983, chapter 312, article 1, section 2, subdivision 5, paragraph 13, result in an increase in a parent's responsibility for the cost of their child's out-of-home placement, the county must not require the increase in payment until 30 days after the parent is sent notice of the amount of the increase.

Subd. 6. Mental Health

198,475,600 196,145,500

Notwithstanding any other law to the contrary, there is no appropriation in the budget for the department of human services for the position of assistant commissioner with responsibilities for state institutions and reimbursements.

\$25,000 of the appropriation in Laws 1984, chapter 616, section 3, for the demonstration project for treatment of compulsive gamblers is available until June 30, 1987.

That part of the appropriation for the adult mental illness residential grants appropriation that is attributable to savings realized in the general assistance and Minnesota supplemental aid programs because of the limits on payments to negotiated rate facilities, must be used for facilities affected by the limits to assure continuation of appropriate care and services to residents.

Of this appropriation, \$1,200,000 is new money for the chronic mental illness grant program. In fiscal year 1987, up to \$400,000 may be used for a demonstration

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project and the remainder of the appropriation is for existing programs.

The amounts that may be spent from this appropriation for each activity are as follows:

(a) State Hospitals

Approved Complement

June 30, 1986	June 30, 1987
5472	5175

(1) Salaries

\$143,601,600	\$140,372,800
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No human services technician positions shall be converted to any other positions until the commissioner has prepared and submitted a plan for any conversions to the chairs of the health and human services subcommittee of senate finance and human services division of house appropriations for review and comment.

Within the limits of available appropriations, the commissioner may establish pilot projects to demonstrate the feasibility of state-operated, community-based services for state hospital residents.

If a state-operated intermediate care facility for the mentally retarded is decertified other than by the direct request of the commissioner, the commissioners of health and human services shall cooperate to secure immediate recertification of the facility. In this case, the restrictions of Minnesota Statutes, section 252.291 do not apply.

Notwithstanding any law to the contrary, the commissioner shall allocate no money to programs that adjust the number of state hospital beds available to the mentally ill.

Notwithstanding Minnesota Statutes, section 246.57, for the biennium ending June 30, 1987, the commissioner of human services may authorize any state hospital or state operated nursing home to enter into new shared service agreements or renew agreements with both nonprofit and profit health

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service organizations and other governmental entities. Consultation with the chairman of the senate finance committee and the chairman of the house appropriation committee is required for contracts in excess of \$100,000 per fiscal year. Positions funded by shared services agreements may be authorized by the commissioner of finance for the duration of shared services agreements. Charges for the services shall be deposited in the general fund, except that the portion of the receipts equal in amount to expenditures incurred in rendering shared services are dedicated to the state hospital or nursing home that provided the service and are appropriated for that purpose.

(2) Current Expense

\$ 14,850,900 \$ 15,088,400

(3) Repairs and Betterments

\$ 1,773,700 \$ 1,875,100

(4) Special Equipment

\$ 680,100

Any unencumbered balances in special equipment and repairs and betterments remaining in the first year do not cancel but are available for the second year of the biennium.

Notwithstanding any law to the contrary, and provided that there is no conflict with any collective bargaining agreement, any state hospital or state nursing home position reduction shall only be accomplished through attrition, transfers, and retirements and shall not be accomplished through layoffs.

Notwithstanding any law to the contrary, any state hospital employee position identified as being vacant by the state hospital and the commissioner of human services may only be declared so after review of the chair of the house human services division of appropriations and the chair of the senate health and human services subcommittee of finance.

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Review by the chair of the house human services division of appropriations and the chair of the senate health and human services subcommittee of finance must precede closure of any unit in any state hospital or state nursing home.

(b) Nursing Homes

Approved Complement - 616.5

(1) Salaries

\$ 15,792,500 \$ 15,806,000

This appropriation includes \$263,800 for each year of the biennium for the program for chronically chemically dependent people at Ah Gwah Ching state nursing home. The commissioner of human services shall augment the program with federal money and any additional money provided through shared service agreements under Minnesota Statutes, section 246.57, after the amount of the state appropriation has been recovered and deposited in the medical assistance account. The commissioner shall maintain records of the operations of this project, evaluate the efficiency and effectiveness of the treatment program, and report to the legislature by January 1 of each year on the amount deposited to the medical assistance account from the shared service agreements.

(2) Current Expense

\$ 2,155,100 \$ 2,203,200

(3) Repairs and Betterments

\$ 219,800 \$ 232,300

(4) Special Equipment

\$ 73,900

(c) Mental Health Support

\$ 19,328,000 \$ 20,567,700

This appropriation includes \$50,000 for purposes of article 2, sections 14, 15, and 91 to be transferred to the commissioner of health to pay the St. Paul Ramsey medical center for up to 100 autopsies at a cost not to

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exceed \$500 per autopsy and transportation to the medical center. St. Paul Ramsey medical center is responsible for reimbursing physicians and pathologists outside of the metropolitan area for their services and other expenses related to the removal, transportation, and storage of the decedent's brain.

This appropriation includes \$100,000 to be transferred to the director of the state planning agency for site-specific analyses of the potential for refuse burning and cogeneration at two state facilities. No later than October 15, 1985, the director shall submit two proposed sites for these analyses to the chairs of the health and human services subcommittee of the senate finance committee and the human services division of the house appropriations committee for their review and comment. If no responses are received by the director within ten days after submission, the chairs shall be deemed to have consented to the selection of the two sites. In selecting specific sites, the director shall consider the opportunities for receipt of matching funds to perform the analyses. Funds so received shall serve to reduce the appropriation made by this subdivision. The specific site analyses must assess market, cost, and other relevant factors. The analyses shall be completed no later than January 31, 1986, and copies shall be distributed to the governor and the chairs of the health and human services subcommittee of the senate finance committee and the human services division of the house appropriations committee.

Notwithstanding any law to the contrary, no reallocation of chemical dependency funds or reorganization of chemical dependency treatment units may occur without the review of the chairs of the health and human services subcommittee of the senate finance committee and the human services division of the house appropriations committee.

The commissioner of human services shall study methods for implementing a consolidated chemical dependency treatment fund

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which includes the county case management or gatekeeper role with respect to all publicly-funded chemical dependency treatment dollars and a competitive model for all providers of publicly-funded chemical dependency treatment services. The commissioner shall make recommendations to the chair of the senate finance subcommittee of health and human services and the chair of the house human services division of appropriations by September 15, 1985. The department's study group shall include representatives from county agencies and state hospital employees.

If earnings under the various shared services agreements authorized are less than appropriated, the appropriation is reduced by the amount of the earnings deficiency. If a shared service agreement is reduced or terminated, the approved complement relating to that shared service agreement must be reduced accordingly.

Sec. 3. COMMISSIONER OF ECONOMIC SECURITY

Subdivision 1. Total

Appropriation

50,589,200 21,858,100

The amounts that may be spent from this appropriation for each program are more specifically described in the following subdivisions.

Subd. 2. Jobs Program

\$ 27,000,000

Any unencumbered balance remaining in the first year for the Minnesota employment and economic development program does not cancel but is available for the second year of the biennium. To the extent permissible under federal and state law, the commissioner shall use money available from the federal government and the private sector to fund the program.

Notwithstanding Laws 1984, chapter 654, article 5, section 2, clause (a), the appropriation for the jobs program for fiscal year

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1985 may be encumbered after May 31, 1985, and is available until expended.

Subd. 3. Employment Programs

\$ 3,900,000 \$ 2,350,500

The commissioner may spend up to one percent of the appropriation for each fiscal year for the department's administrative costs and for program operators' administrative costs.

Of the money appropriated for the summer youth employment program for fiscal year 1986, \$750,000 is immediately available. If that amount is insufficient for the costs incurred, an additional amount may be transferred with the advance approval of the commissioner of finance. Any unexpended balance of the immediately available money is available for the year in which it is appropriated. Contracts for the calendar year 1985 program must be written for the entire period of the calendar year 1985 program.

The amount transferred from the department of human services to the department of economic security out of appropriations for the biennium ending June 30, 1985, for WIN match may be transferred from grants to salaries to meet the ten percent match requirement by the federal government for fiscal year 1985.

Of the money appropriated for the summer youth employment program, \$150,000 each year is for youth intervention programs. These amounts are to be transferred to the commissioner of energy and economic development who shall administer the program.

Subd. 4. Vocational Rehabilitation Services

\$ 18,171,200 \$ 17,989,400

Any unexpended balance remaining in the first year does not cancel and is available for the second year.

Subd. 5. Training and Community Services

\$ 1,368,000 \$ 1,368,200

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Notwithstanding any law to the contrary, for the biennium ending June 30, 1987, the commissioner of economic security shall transfer to the low-income home weatherization program five percent of money received under the low-income home energy assistance block grant in each year of the biennium and shall expend all of the transferred funds during the year of the transfer. The commissioner shall also transfer to the low-income home weatherization program any money remaining from the low-income home energy assistance block grant at the end of each program year. None of the transferred money may be used by the commissioner of economic security for administrative costs.

Notwithstanding any law to the contrary, the commissioner of economic security shall transfer to the community services block grant program no less than five percent of money received under the low-income home energy assistance block grant in each year of the biennium and shall expend all of the transferred money during the year of the transfer. None of the transferred money may be used by the department of economic security for its administrative costs.

To the extent allowed by federal regulations, the commissioner of economic security shall ensure that the same income eligibility criteria apply to both the weatherization program and the energy assistance program.

When determining eligibility for the energy assistance program, the commissioner of economic security shall consider the total home energy needs related to heat during the heating season, of applicants for assistance.

Notwithstanding any other law to the contrary, no more than 1.11 percent of funds received under the total low-income home energy assistance program may be used by the department of economic security for its administrative costs.

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Subd. 6. Program and Management Support

\$ 150,000 \$ 150,000

The appropriation for the displaced homemaker program includes money for the purpose of making grants to programs to provide employment, training, and support services to displaced homemakers.

Sec. 4. MINNESOTA JOB SKILLS PARTNERSHIP BOARD

500,000 -0-

Sec. 5. COMMISSIONER OF CORRECTIONS

Subdivision 1. Total

Appropriation 85,550,600 89,032,400

The amounts that may be spent from the appropriation for each program and activity are more specifically described in the following subdivisions.

Positions and administrative money may be transferred within the department of corrections as the commissioner considers necessary, upon the advance approval of the commissioner of finance.

Subd. 2. Management Services 3,260,300 3,374,300

Subd. 3. Community Services 21,511,100 21,866,400

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Support

\$ 8,942,100 \$ 9,132,600

Any unencumbered balance remaining in the county probation reimbursement account at the end of fiscal year 1986 does not cancel but is available for the second year of the biennium. Any surplus remaining in the account on June 30, 1987 shall revert to the general fund.

This appropriation includes \$416,000 the first year for grants under Minnesota Statutes, section 241.022 for innovative pilot

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programs. Of this amount, \$170,000 must be used for a grant to the Northwest Regional Corrections Center in Crookston, \$170,000 for a grant to the Northeast Regional Corrections Center in Duluth, and \$76,000 for a grant to the West Central Juvenile Center in Moorhead.

Of this appropriation, \$20,000 for fiscal year 1986, and \$20,000 for fiscal year 1987 are for nonadjudicated community corrections programs serving White Bear Lake. These amounts are to be transferred to the commissioner of energy and economic development who shall disburse the money.

Notwithstanding the provisions of any law to the contrary, \$250,000 in fiscal year 1986 and \$250,000 in fiscal year 1987 of the unencumbered balances remaining from fiscal year 1985 money in Wisconsin dedicated receipts are appropriated to fund battered women services.

(b) Community Corrections Act

\$ 12,569,000 \$ 12,733,800

Up to \$500,000 of the unallotted community corrections act money shall be used to allow additional qualified counties to participate in the community corrections act subsidy program during the fiscal year ending June 30, 1987.

Any unencumbered balances for department of corrections services currently provided to any county not included in the community corrections act shall be transferred to the community corrections act appropriation when that county is included in the community corrections act. A list of those counties scheduled to come under the community corrections act during the biennium ending June 30, 1987, as shown on the official worksheets of the conferees of the senate and house of representatives, a true copy of which is on file in the office of the commissioner of finance.

Subd. 4. Correctional
Institutions

60,779,200 63,791,700

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(a) Salaries

\$ 46,560,000	\$ 47,557,700
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(b) Current Expense

\$ 9,319,300	\$ 11,431,100
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(c) Repairs and Betterments

\$ 1,064,600	\$ 817,800
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(d) Special Equipment

\$ 131,300	\$ 195,600
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Any unencumbered balances in special equipment, repairs and betterments, and industry remaining in the first year do not cancel but are available for the second year of the biennium.

The commissioner of corrections may enter into an agreement with the appropriate Wisconsin officials for housing Wisconsin prisoners in Minnesota correctional institutions. Money received from Wisconsin pursuant to the contract is appropriated to the commissioner of corrections for correctional purposes. Any unencumbered balances within correctional institutions in current expense and salaries remaining in the first year do not cancel but are available for the second year of the biennium if receipt projections in the first year show a deficit for the biennium.

(e) Institution Support

\$ 3,704,000	\$ 3,789,500
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Sec. 6. SENTENCING GUIDELINES COMMISSION	188,100	189,100
Sec. 7. CORRECTIONS OMBUDSMAN	316,000	302,000
Sec. 8. COMMISSIONER OF HEALTH		
Subdivision 1. Total		
Appropriation	28,498,000	27,712,200

The amounts that may be spent from this appropriation for each program and activity

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are more specifically described in the following subdivisions.

The amounts shown in the program totals have been reduced by \$341,000 in fiscal year 1986 and \$341,000 in fiscal year 1987. The commissioner may determine which activities will be reduced.

Positions and administrative money may be transferred within the department of health as the commissioner considers necessary, with the advance approval of the commissioner of finance.

The appropriation in Laws 1984, chapter 654, article 5, section 4, paragraph (a), for an epidemiologic feasibility study is available until spent.

Subd. 2. Preventive and Protective Health Services	5,349,300	5,474,200
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Of this appropriation, \$140,000 each year is appropriated from the metropolitan landfill contingency fund for monitoring well water supplies in the metropolitan area.

Notwithstanding any other law, the commissioner of health shall charge a fee of at least \$5 for medical laboratory services.

The commissioner of health may charge a fee for voluntary certification of medical laboratories and environmental laboratories. The fee may be established without complying with Minnesota Statutes, chapter 14.

The commissioner of health may charge fees for environmental and medical laboratory services in amounts approximately equal to the costs of providing the services. The fees may be established without complying with Minnesota Statutes, chapter 14.

Subd. 3. Health Delivery Systems	20,921,600	20,049,500
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Of this appropriation, \$461,600 the first year and \$484,600 the second year are appropriated from the trunk highway fund for emergency medical services activities.

Of this appropriation, \$1,500,000 is for the Minnesota emergency medical services sys-

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tem support act, to be available until June 30, 1987. Of this amount, \$200,000 is for the rural emergency response training site for rural peace officers, firefighters, and medical personnel, at the north campus of Staples Technical Institute in Staples, Minnesota, to be available until June 30, 1986. The commissioner of health shall cooperate with the commissioner of public safety in establishing the rural emergency response training site.

\$11,743,300 for fiscal year 1986 and \$12,309,700 for fiscal year 1987 are for the community health services subsidy.

For the purposes of the community health services subsidy, the commissioner of finance may authorize the transfer of money to the community health services activity from the other programs in this section.

If the appropriation for community health services or services to children with handicaps is insufficient for either year, the appropriation for the other year is available by direction of the governor after consulting with the legislative advisory commission.

Appropriations from the general fund for services to children with handicaps for fiscal years 1985, 1986, and 1987 are available until June 30, 1987.

Subd. 4. Health Support Services	2,568,100	2,529,500
Sec. 9. HEALTH RELATED BOARDS		
Subdivision 1. Total for this section	2,337,400	2,365,100
The appropriations in this section are from the special revenue fund.		
Subd. 2. Board of Chiropractic Examiners	65,600	66,800
Subd. 3. Board of Dentistry	233,700	237,500
Subd. 4. Board of Medical Examiners	557,900	564,100
Subd. 5. Board of Nursing	775,500	786,700
Subd. 6. Board of Examiners for Nursing Home Administrators	113,700	115,400

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Subd. 7. Board of Optometry	44,000	45,000
Subd. 8. Board of Pharmacy	349,900	353,400
Subd. 9. Board of Podiatry	5,700	5,900
Subd. 10. Board of Psychology	123,000	120,400
Subd. 11. Board of Veterinary Medicine	68,400	69,900
Subd. 12. REVENUE		

The commissioner of finance shall not permit the allotment, encumbrance, or expenditure of money appropriated in this section in excess of the anticipated biennial revenues from fees collected by the boards. Neither this provision nor Minnesota Statutes, section 214.06, applies to transfers from the general contingent account, if the amount transferred does not exceed the amount of surplus revenue accumulated by the transferee during the previous five years.

Sec. 10. FEDERAL RECEIPTS

For the biennium ending June 30, 1987, federal receipts as shown in the biennial budget document or in working papers of the two appropriations committees to be used for financing activities, programs, and projects under the supervision and jurisdiction of the commissioner of human services must be accredited to and become a part of the appropriations provided for in section 2.

Sec. 11. MASTER LEASE-PURCHASE RESTRICTION

The appropriations contained in this act do not include any funds for purchase of goods or equipment under a master lease-purchase program except for those items with a total cost exceeding \$100,000 and with a projected useful life of at least ten years.

Sec. 12. PROVISIONS

For the biennium ending June 30, 1987, money appropriated to the commissioner of corrections and the commissioner of human services in this act for the purchase of provisions within the item "current expense" must be used solely for that purpose. Money provided and not used for purchase of pro-

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visions must be canceled into the fund from which appropriated, except that money provided and not used for the purchase of provisions because of population decreases may be transferred and used for the purchase of medical and hospital supplies with the approval of the governor after consulting with the legislative advisory commission.

The allowance for food may be adjusted annually according to the United States department of labor, bureau of labor statistics publication, producer price index, with the approval of the commissioner of finance. Adjustments for fiscal year 1986 and fiscal year 1987 must be based on the June 1985, and June 1986, producer price index respectively, but the adjustment must be prorated if the wholesale food price index adjustment would require money in excess of this appropriation.

Sec. 13. TRANSFERS OF MONEY

Subdivision 1. Governor's Approval Required

For the biennium ending June 30, 1987, the commissioner of human services, the commissioner of corrections, the commissioner of economic security, and the commissioner of health shall not transfer money to or from the object of expenditure "personal services" to or from the object of expenditure "claims and grants," as shown on the official worksheets of the conferees of the senate and house of representatives, a true copy of which is on file in the office of the commissioner of finance, except for services for the blind and for those transfers that have the written approval of the governor after consulting with the legislative advisory commission.

Subd. 2. Transfers of Unencumbered Appropriations

For the biennium ending June 30, 1987, the commissioners of human services, corrections, and health by direction of the gover-

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nor after consulting with the legislative advisory commission may transfer unencumbered appropriation balances and positions among all programs.

Sec. 14. APPROVED COMPLEMENT

For the biennium ending June 30, 1987, the approved complements indicated in this act are full-time equivalent positions and apply only to positions paid for with money appropriated by this act.

Additional employees over the approved complement may be employed on the basis of public necessity or emergency with the written approval of the governor, but the governor shall not approve the additional personnel until he has consulted with the legislative advisory commission. Requests for increases in the approved complement must be forwarded to the appropriate committees on finance of the legislature at least 30 days before the legislative advisory commission meeting.

ARTICLE 2

Section 1. [62A.26] COVERAGE FOR PHENYLKETONURIA TREATMENT.

Subdivision 1. SCOPE OF COVERAGE. This section applies to all policies of accident and health insurance, health maintenance contracts regulated under chapter 62D, health benefit certificates offered through a fraternal beneficiary association regulated under chapter 64A, and group subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C, but does not apply to policies designed primarily to provide coverage payable on a per diem, fixed indemnity or nonexpense incurred basis, or policies that provide only accident coverage.

Subd. 2. REQUIRED COVERAGE. Every policy, plan, certificate, or contract referred to in subdivision 1 issued or renewed after August 1, 1985, must provide coverage for special dietary treatment for phenylketonuria when recommended by a physician.

Sec. 2. Minnesota Statutes 1984, section 62E.06, subdivision 1, is amended to read:

Subdivision 1. **NUMBER THREE PLAN.** A plan of health coverage shall be certified as a number three qualified plan if it otherwise meets the requirements established by chapters 62A and 62C, and the other laws of this

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state, whether or not the policy is issued in Minnesota, and meets or exceeds the following minimum standards:

(a) The minimum benefits for a covered individual shall, subject to the other provisions of this subdivision, be equal to at least 80 percent of the cost of covered services in excess of an annual deductible which does not exceed \$150 per person. The coverage shall include a limitation of \$3,000 per person on total annual out-of-pocket expenses for services covered under this subdivision. The coverage shall be subject to a maximum lifetime benefit of not less than \$250,000.

The \$3,000 limitation on total annual out-of-pocket expenses and the \$250,000 maximum lifetime benefit shall not be subject to change or substitution by use of an actuarially equivalent benefit.

(b) Covered expenses shall be the usual and customary charges for the following services and articles when prescribed by a physician:

(1) Hospital services;

(2) Professional services for the diagnosis or treatment of injuries, illnesses, or conditions, other than outpatient mental or dental, which are rendered by a physician or at his direction;

(3) Drugs requiring a physician's prescription;

(4) Services of a nursing home for not more than 120 days in a year if the services would qualify as reimbursable services under medicare;

(5) Services of a home health agency if the services would qualify as reimbursable services under medicare;

(6) Use of radium or other radioactive materials;

(7) Oxygen;

(8) Anesthetics;

(9) Prostheses other than dental;

(10) Rental or purchase, as appropriate, of durable medical equipment other than eyeglasses and hearing aids;

(11) Diagnostic X-rays and laboratory tests;

(12) Oral surgery for partially or completely unerupted impacted teeth, a tooth root without the extraction of the entire tooth, or the gums and tissues of the mouth when not performed in connection with the extraction or repair of teeth;

(13) Services of a physical therapist; and

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(14) Transportation provided by licensed ambulance service to the nearest facility qualified to treat the condition; or a reasonable mileage rate for transportation to a kidney dialysis center for treatment.

(c) Covered expenses for the services and articles specified in this subdivision do not include the following:

(1) Any charge for care for injury or disease either (i) arising out of an injury in the course of employment and subject to a workers' compensation or similar law, (ii) for which benefits are payable without regard to fault under coverage statutorily required to be contained in any motor vehicle, or other liability insurance policy or equivalent self-insurance, or (iii) for which benefits are payable under another policy of accident and health insurance, medicare or any other governmental program except as otherwise provided by law;

(2) Any charge for treatment for cosmetic purposes other than for reconstructive surgery when such service is incidental to or follows surgery resulting from injury, sickness or other diseases of the involved part or when such service is performed on a covered dependent child because of congenital disease or anomaly which has resulted in a functional defect as determined by the attending physician;

(3) Care which is primarily for custodial or domiciliary purposes which would not qualify as eligible services under medicare;

(4) Any charge for confinement in a private room to the extent it is in excess of the institution's charge for its most common semi-private room, unless a private room is prescribed as medically necessary by a physician, provided, however, that if the institution does not have semi-private rooms, its most common semi-private room charge shall be considered to be 90 percent of its lowest private room charge;

(5) That part of any charge for services or articles rendered or prescribed by a physician, dentist, or other health care personnel which exceeds the prevailing charge in the locality where the service is provided; and

(6) Any charge for services or articles the provision of which is not within the scope of authorized practice of the institution or individual rendering the services or articles.

(d) The minimum benefits for a qualified plan shall include, in addition to those benefits specified in clauses (a) and (e), benefits for well baby care, effective July 1, 1980, subject to applicable deductibles, coinsurance provisions, and maximum lifetime benefit limitations.

(e) Effective July 1, 1979, the minimum benefits of a qualified plan shall include, in addition to those benefits specified in clause (a), a second opinion from a physician on all surgical procedures expected to cost a total of \$500 or more in

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physician, laboratory and hospital fees, provided that the coverage need not include the repetition of any diagnostic tests.

(f) Effective August 1, 1985, the minimum benefits of a qualified plan must include, in addition to the benefits specified in clauses (a), (d), and (e), coverage for special dietary treatment for phenylketonuria when recommended by a physician.

Sec. 3. Minnesota Statutes 1984, section 129A.01, is amended to read:

129A.01 **DEFINITIONS.**

For the purposes of this chapter, the following terms shall have the meanings given them:

- (a) "Department" means the department of economic security;
- (b) "Commissioner" means the commissioner of economic security;
- (c) "Vocational rehabilitation services" means those services and goods so defined in the federal Rehabilitation Act of 1973 and section 129A.03, clause (b);
- (d) "Handicapped person" means a person who because of a substantial physical, mental or emotional disability or dysfunction requires special services in order to enjoy the benefits of society;
- (e) "Long-term sheltered workshop" means a facility where any manufacture or handiwork is carried on and which is operated for the primary purpose of providing remunerative employment to those handicapped persons who, as a result of physical or mental disability, are unable to participate in competitive employment. A long-term sheltered workshop shall supply such employment (1) as a step in the rehabilitation process for those who cannot be readily absorbed in the competitive labor market, or (2) during such time as employment opportunities for them in the competitive labor market do not exist;
- (f) "Work activity program" means a program which utilizes manufacturing activities and other production work for the primary purpose of providing basic vocational skills development for the handicapped;
- (g) "Sheltered employee" means a handicapped person working for pay while participating in a long-term sheltered workshop program.
- (h) "Center for independent living" means a private nonprofit organization incorporated under Minnesota law and operated for the purpose of providing independent living services to persons with disabilities. Boards of directors for the center for independent living are composed of community representatives. Fifty-one percent of the board members must be individuals who are either severely disabled themselves or spouses or parents of severely disabled persons.

Sec. 4. Minnesota Statutes 1984, section 129A.03, is amended to read:

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129A.03 POWERS AND DUTIES.

The commissioner shall:

(a) Develop and administer the long-term sheltered workshops and work activity programs and perform the duties as specified in section 129A.08;

(b) Provide vocational rehabilitation services such as: diagnostic and related services incidental to determination of eligibility for services to be provided, including medical diagnosis and vocational diagnosis; vocational counseling, training and instruction, including personal adjustment training; physical restoration, including corrective surgery, therapeutic treatment, hospitalization and prosthetic devices, all of which shall be obtained from appropriate established agencies; transportation; occupational and business licenses or permits, customary tools and equipment, maintenance, books, supplies and training materials; initial stocks and supplies; placement; acquisition of vending stands or other equipment, initial stocks and supplies for small business enterprises; supervision and management of small business enterprises, merchandising programs or services rendered by severely disabled persons; establishment, improvement, maintenance or extension of public and other nonprofit rehabilitation facilities, centers, workshops, demonstration projects and research. These services shall be provided for handicapped persons in the state whose capacity to earn a living has in any way been destroyed or impaired through industrial accident or otherwise; these persons are entitled to free choice of vendor for any medical or dental services provided, under this paragraph;

(c) Formulate plans of cooperation with the commissioner of labor and industry for providing services to workers covered under the workers' compensation act. Those plans are effective only if approved by the governor;

(d) Maintain a contractual relationship with the United States as authorized by the act of congress approved September 1, 1954, known as the "Social Security Amendments of 1954," Public Law 761, Section 221, and the act approved October 30, 1972, known as the Social Security Amendments of 1972, Public Law 92-603, and subsequent amendments. Under the contract, the state will undertake to make determinations referred to in those public laws with respect to all individuals in Minnesota, or with respect to a class or classes of individuals in this state that is designated in the agreement at the state's request. It is the purpose of this relationship to permit the citizens of this state to obtain all benefits available under federal law;

(e) Provide an in-service training program for department employees by paying for its direct costs with state and federal funds;

(f) Conduct research and demonstration projects; provide training and instruction, including establishment and maintenance of research fellowships and traineeships, along with all necessary stipends and allowances; disseminate

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information to the handicapped and general public; and provide technical assistance relating to vocational rehabilitation;

(g) Receive and disburse pursuant to law money and gifts available from governmental and private sources for the purpose of vocational rehabilitation. Money received from workers' compensation carriers for vocational rehabilitation services to injured workers must be deposited in the general fund;

(h) Design all state plans of vocational rehabilitation services required as a condition to the receipt and disbursement of any money available from the federal government;

(i) Cooperate with other public or private agencies or organizations for the purpose of vocational rehabilitation. Money received from school districts, governmental subdivisions, mental health centers or boards, and private nonprofit organizations is appropriated to the commissioner for conducting joint or cooperative vocational rehabilitation programs;

(j) Enter into contractual arrangements with instrumentalities of federal, state, or local government and with private individuals, organizations, agencies or facilities with respect to providing vocational rehabilitation services;

(k) Take other actions required by state and federal legislation relating to vocational rehabilitation and disability determination programs;

(l) Hire staff and arrange services and facilities necessary to perform the duties and powers specified in this section; and

(m) Adopt, amend, suspend or repeal rules necessary to implement or make specific programs that the commissioner by sections 129A.01 to 129A.09 is empowered to administer.

Sec. 5. [129A.061] REQUIREMENTS FOR CERTIFICATION.

Subdivision 1. BENEFITS. A long-term sheltered workshop must, as a condition for receiving program certification, provide employees in a long-term employment program the personnel benefits prescribed in rules adopted by the commissioner of the department of economic security.

Subd. 2. GRIEVANCE PROCEDURE. A long-term sheltered workshop must, as a condition for receiving program certification, provide to employees in a long-term employment program a grievance procedure which has as its final step provisions for final and binding arbitration.

Sec. 6. Minnesota Statutes 1984, section 129A.07, subdivision 1, is amended to read:

Subdivision 1. Every city, town, county, nonprofit corporation, or combination thereof establishing a community long-term sheltered workshop or work activity program shall appoint a long-term sheltered workshop board of no fewer

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than nine members before becoming eligible for the assistance provided by sections 129A.06 to 129A.08. When any city, town, or county singly establishes such a workshop or work activity program, the board shall be appointed by the chief executive officer of the city or the chairman of the governing board of the county or town. When any combination of cities, towns, counties or nonprofit corporations establishes a workshop or work activity program, the chief executive officers of the cities, nonprofit corporations and the chairmen of the governing bodies of the counties or towns shall appoint the board. If a nonprofit corporation singly establishes a workshop or work activity program, the corporation shall appoint the board of directors. Membership on a board shall be representative of the community served and shall include a handicapped person. One-third to one-half of the board shall be representative of industry or business. The remaining members should be representative of lay associations for the handicapped, labor, the general public, and education, welfare, medical, and health professions. Nothing in sections 129A.06 to 129A.08 shall be construed to preclude the appointment of elected or appointed public officials or members of the board of directors of the sponsoring nonprofit corporation to the board, so long as representation described above is preserved. If a county establishes a workshop or work activity program and manages the workshop with county employees, the governing board shall be the county board of commissioners and other provisions of this chapter pertaining to membership on the governing board do not apply.

Sec. 7. Minnesota Statutes 1984, section 129A.08, subdivision 5, is amended to read:

Subd. 5. **RULE AUTHORITY.** In addition to the powers already conferred on him by law, the commissioner shall promulgate rules on:

(a) state certification of all long-term sheltered workshops and work activity programs;

(b) eligibility of community long-term sheltered workshops and work activity programs to receive state grants;

(c) standards for qualification of personnel and quality of professional service and for in-service training and education leave programs for personnel;

(d) eligibility for service so that no person will be denied service on the basis of race, creed or color;

(e) regulatory fees for consultation services;

(f) standards and criteria by which handicapped persons are to be judged eligible for the services;

(g) evaluation criteria for long-term sheltered workshops; and

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(h) program evaluation criteria for work activity programs in order to determine the extent to which these programs meet the goals and objectives established in state and federal law relating to work activity programs.

The rules on evaluation criteria for long-term sheltered workshops must be in effect by July 1, 1985 1986. The rules must be used in making allocations for fiscal years beginning after June 30, 1986 1987.

Sec. 8. [129A.10] INDEPENDENT LIVING SERVICES.

Subdivision 1. SERVICES OFFERED. Independent living services are those services designed to materially improve opportunities for persons with disabilities to live and function more independently in their home, family, and community, and the services include:

- (1) intake counseling to determine the individual's needs for services;
- (2) referral and counseling services with respect to attendant care;
- (3) counseling and advocacy with respect to legal and economic rights and benefits;
- (4) independent living skills, training, and counseling;
- (5) housing and transportation referral and assistance;
- (6) surveys, directories, and other activities to identify appropriate housing and accessible transportation and other support services;
- (7) peer counseling;
- (8) education and training necessary to living in the community and participating in community affairs;
- (9) individual and group social and recreational activities;
- (10) attendant care and training of personnel to provide the care; and
- (11) other necessary services which are not inconsistent with sections 1 and 2.

Subd. 2. ADMINISTRATION. This section shall be administered by the department of economic security through the division of vocational rehabilitation. The department may employ staff as reasonably required to administer this section and may accept and receive funds from nonstate sources for the purpose of effectuating this section.

Subd. 3. CERTIFICATION. No applicant center for independent living may receive funding under this section unless it has received certification from the division of vocational rehabilitation.

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The division of vocational rehabilitation shall involve disabled consumers and other interested persons to consider performance evaluation criteria in order to formulate rules by which centers will be certified by July 1, 1986.

The division of vocational rehabilitation shall review the programs for centers of independent living receiving funds from this section to determine their adherence to standards adopted by rule and if the standards are substantially met, shall issue appropriate certifications.

Subd. 4. APPLICATION OF CENTERS FOR INDEPENDENT LIVING. The division of vocational rehabilitation shall require centers for independent living to complete application forms, expenditure reports, and proposed plans and budgets. These reports must be in the manner and on the form prescribed by the division. When applying, the center for independent living shall agree to provide reports and records, and make available records for audit as may be required by the division of vocational rehabilitation.

The applicant center for independent living shall be notified in writing by the division concerning the approval of budgets and plans.

Sec. 9. [144.126] PHENYLKETONURIA TESTING PROGRAM.

The commissioner shall provide on a statewide basis without charge to the recipient, treatment control tests for which approved laboratory procedures are available for phenylketonuria and other metabolic diseases causing mental retardation.

Sec. 10. [144.128] TREATMENT FOR POSITIVE DIAGNOSIS, REGISTRY OF CASES.

The commissioner shall:

(1) make arrangements for the necessary treatment of diagnosed cases of phenylketonuria and other metabolic diseases when treatment is indicated and the family is uninsured and, because of a lack of available income, is unable to pay the cost of the treatment;

(2) maintain a registry of cases of phenylketonuria and other metabolic diseases for the purpose of follow-up services to prevent mental retardation; and

(3) adopt rules to carry out section 144.126 and this section.

Sec. 11. Minnesota Statutes 1984, section 144.70, is amended to read:

144.70 ANNUAL BIENNIAL REPORT.

Subdivision 1. CONTENT. The commissioner of health shall prepare and prior to each legislative session a report every two years concerning the status and operations of the health care markets in Minnesota. The commissioner of health shall transmit the reports to the governor and to the members of the legislature an annual. The first report of must be submitted on January 15, 1987,

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and succeeding reports on January 15 every two years. Each report must contain information, analysis, and appropriate recommendations concerning the following issues associated with Minnesota health care markets:

(1) the overall status of the health care cost problem, including the costs faced by employers and individuals, and prospects for the problem's improving or getting worse;

(2) the status of competitive forces in the market for health services and the market for health plans, and the effect of the forces on the health care cost problem;

(3) the feasibility and cost-effectiveness of facilitating development of strengthened competitive forces through state initiatives;

(4) the feasibility of limiting health care costs by means other than competitive forces, including direct forms of government intervention such as price regulation; the commissioner of health may exclude this issue from the report if the report concludes that the overall status of the health care cost problem is improving, or that competitive forces are contributing significantly to health care cost containment;

(5) the overall status of access to adequate health services by citizens of Minnesota, the scope of financial and geographic barriers to access, the effect of competitive forces on access, and prospects for access improving or getting worse;

(6) the feasibility and cost-effectiveness of enhancing access to adequate health services by citizens of Minnesota through state initiatives; and

(7) the commissioner of health's operations and activities for the preceding fiscal year two years as they relate to the duties imposed on the commissioner of health by sections 144.695 to 144.703. This report shall include a compilation of all summaries and reports required by sections 144.695 to 144.703 together with any findings and recommendations of the commissioner of health.

Subd. 2. INTERAGENCY COOPERATION. In completing the report required by subdivision 1, in fulfilling the requirements of sections 144.695 to 144.703, and in undertaking other initiatives concerning health care costs, access, or quality, the commissioner of health shall cooperate with and consider potential benefits to other state agencies that have a role in the market for health services or the market for health plans. Other agencies include the department of employee relations, as administrator of the state employee health benefits program; the department of human services, as administrator of health services entitlement programs; the department of commerce, in its regulation of health plans; the department of labor and industry, in its regulation of health service costs under workers' compensation; and the state planning agency, in its planning for the state's health service needs.

Sec. 12. MANDATED BENEFITS COMMISSION.

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If the governor, during fiscal year 1986, establishes a special commission to study and make recommendations on the appropriate content of the mandated or minimum benefits to be required of health plans in Minnesota, representation on the commission must include:

(1) one member from the state planning agency, who shall chair the commission;

(2) two members from the senate of the state of Minnesota, one from the majority party and one from the minority party;

(3) two members from the house of representatives of the state of Minnesota, one from the majority party and one from the minority party;

(4) one member from the Minnesota department of commerce;

(5) one member from the Minnesota department of health;

(6) one member representing Minnesota counties;

(7) one member representing Minnesota employers;

(8) one member representing health insurance companies, one member representing health maintenance organizations, and one member representing nonprofit health service plans;

(9) two members representing the providers of health services;

(10) one member representing labor; and

(11) one member representing low income consumers.

Sec. 13. [144.8093] **EMERGENCY MEDICAL SERVICES FUND.**

Subdivision 1. CITATION. This section is the "Minnesota emergency medical services system support act."

Subd. 2. ESTABLISHMENT AND PURPOSE. In order to develop, maintain, and improve regional emergency medical services systems, the department of health shall establish an emergency medical services system fund. The fund shall be used for the general purposes of promoting systematic, cost effective delivery of emergency medical care throughout the state; identifying common local, regional, and state emergency medical system needs and providing assistance in addressing those needs; undertaking special projects of statewide significance that will enhance the provision of emergency medical care in Minnesota; providing for public education about emergency medical care; promoting the exchange of emergency medical care information; ensuring the ongoing coordination of regional emergency medical services systems; and establishing and maintaining training standards to ensure consistent quality of emergency medical services throughout the state.

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Subd. 3. USE AND RESTRICTIONS. Designated regional emergency medical services systems may use emergency medical services system funds to support local and regional emergency medical services as determined within the region, with particular emphasis given to supporting and improving emergency trauma and cardiac care and training. No part of a region's share of the fund may be used to directly subsidize any life support transportation service operations or rescue service operations or to purchase any vehicles or parts of vehicles for a life support transportation service or a rescue service.

Subd. 4. DISTRIBUTION. Money from the fund shall be distributed according to this subdivision. Eighty percent of the fund shall be distributed annually on a contract for services basis with each of the eight regional emergency medical services systems designated by the commissioner of health. The systems shall be governed by a body consisting of appointed representatives from each of the counties in that region and shall also include representatives from emergency medical services organizations. The commissioner shall contract with a regional entity only if the contract proposal satisfactorily addresses proposed emergency medical services activities in the following areas: personnel training, transportation coordination, public safety agency cooperation, communications systems maintenance and development, public involvement, health care facilities involvement, and system management. If each of the regional emergency medical services systems submits a satisfactory contract proposal, then this part of the fund shall be distributed evenly among the regions. If one or more of the regions does not contract for the full amount of its even share or if its proposal is unsatisfactory, then the commissioner may reallocate the unused funds to the remaining regions on a pro rata basis. Six and two-thirds percent of the fund shall be used by the commissioner to support regionwide reporting systems and to provide other regional administration and technical assistance. Thirteen and one-third percent shall be distributed by the commissioner as discretionary grants for special emergency medical services projects with potential statewide significance.

Sec. 14. [145.131] FINDINGS AND PURPOSE.

The legislature finds that Alzheimer's and other dementia diseases occur in recipients of medical assistance. The costs the state pays in terms of human suffering, lost productivity, and medical assistance expenditures are enormous. The legislature also finds that research for the identification, cause, cure, and prevention of Alzheimer's and other dementia diseases requires autopsies and pathological studies of suspected victims. Expenses for autopsies and pathological studies are not provided for recipients of medical assistance.

Sec. 15. [145.132] AUTHORIZED REMOVAL OF BRAIN.

If the attending physician of a recipient of medical assistance is of the opinion that the deceased recipient was a victim of Alzheimer's disease, the physician or a designated pathologist may remove the brain of the decedent.

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Before the physician removes the brain, the physician shall obtain the permission of the decedent's next of kin, the authorization of the county coroner or medical examiner, and the authorization of the appropriate department of the St. Paul Ramsey medical center. The extracted brain shall be immediately transported to the St. Paul Ramsey medical center in a manner prescribed by the St. Paul Ramsey medical center.

Sec. 16. Minnesota Statutes 1984, section 145.912, subdivision 15, is amended to read:

Subd. 15. "Population" means the total resident population as enumerated during the most recent federal census or, the annual population estimate prepared by the commissioner of energy and economic development in cooperation with the bureau of the census shall be used in order to have the most current data available number of residents of the state or of any city or county as established by the last federal census, by a special census taken by the United States Bureau of the Census, by the state demographer pursuant to section 116K.04, subdivision 4, or an estimate of city population prepared by the metropolitan council, whichever is the most recent as to the stated date of count or estimate.

Sec. 17. Minnesota Statutes 1984, section 145.917, subdivision 2, is amended to read:

Subd. 2. **ELIGIBILITY OF CITIES.** A city having a city health department organized under the provisions of this chapter and located in a county having a population of 300,000 or more persons, or two or more contiguous cities combined under the provisions of section 471.59, having an aggregate population of 65,000 or more persons and located in a county having a population of 300,000 or more persons, shall be eligible for the community health services subsidy under the provisions of sections 145.911 to 145.922 if:

- (a) There is a board of health organized under the provisions of section 145.913, subdivision 2;
- (b) There is substantial compliance with the requirements established by the state commissioner of health under the provisions of section 145.918;
- (c) There are local matching funds provided to support the community health services as provided in section 145.921;
- (d) The plan developed under the provisions of section 145.92 shall be consistent with the plan developed by the county and shall be approved by both the city council and the county board.

~~The city's proportionate share of the community health services subsidy shall be determined by calculating the proportion of local expenditures for community health services within the county that were expended by the city. In a county which has, or hereafter establishes, an operational human services board~~

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pursuant to section 145.913, subdivision 1, the subsidy payment shall be made to the human services board pursuant to section 402.02, subdivision 4. The human services board shall assure that those cities which establish eligibility under this subdivision receive their proportional share of the subsidy by entering into a contract with the city under which the city shall provide community health services in return for their share of the subsidy.

Sec. 18. Minnesota Statutes 1984, section 145.917, subdivision 3, is amended to read:

Subd. 3. **ELIGIBILITY OF CITIES.** A city located within three or more counties and any contiguous political subdivision or subdivisions shall have the authority to combine, for the purposes of sections 145.911 to 145.922, under the provisions of section 471.59, and shall be eligible for a proportional share of the subsidy provided in section 145.921 for the counties under the following conditions:

- (a) There shall be an aggregate population of 40,000 or more persons;
- (b) There is a board of health organized under the provisions of section 145.913;
- (c) There is substantial compliance with the requirements established by the state commissioner of health under the provisions of section 145.918;
- (d) There are local matching funds provided to support the community health services as provided in section 145.921;
- (e) The plan developed under the provisions of section 145.92 shall be approved by the city council and the governing bodies of each of the political subdivisions and by the state commissioner of health.

The proportionate share of the subsidy for the city and any contiguous political subdivision combined with such city shall be determined by calculating the proportion of total county population that live in the city and the contiguous political subdivisions. When all three counties within which the city is located have combined under the provisions of sections 145.911 to 145.922, the subsidy payment shall be made to the multi-county board of health. The multi-county board of health shall enter into a purchase of service contract to provide a proportional share of the subsidy to the city and any contiguous political subdivisions that establish eligibility under the provisions of this subdivision.

Sec. 19. Minnesota Statutes 1984, section 145.917, subdivision 4, is amended to read:

Subd. 4. **WITHDRAWAL.** Any participating county or city, may by resolution of its governing body, indicate its intention to withdraw from the subsidy program established by sections 145.911 to 145.922 145.921.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(a) Notification shall be given to the state commissioner of health and to each county or city in any multi-county or multi-city combination, at least one year before the beginning of the fiscal year in which it takes effect.

(b) When two or more counties or cities have combined for the purposes of sections 145.911 to 145.921, the withdrawal provision shall not be applicable during the first two years following the adoption of the initial agreement to combine.

(c) The withdrawal of a county or city from a group of two or more counties or cities combined for the purposes of sections 145.911 to 145.921 shall not affect the eligibility for the community health services subsidy of the remaining counties or cities for at least one year following the withdrawal.

(d) The amount of any additional annual payment for calendar year 1985 made pursuant to Laws 1976, section 11, subdivision 4, shall be subtracted from the subsidy for a county that, due to withdrawal from a multi-county combination, ceases to meet the terms and conditions under which that additional annual payment was made.

Sec. 20. Minnesota Statutes 1984, section 145.921, is amended to read:

145.921 COMMUNITY HEALTH SERVICES SUBSIDY.

Subdivision 1. **PAYMENT SUBSIDY FORMULA.** When a city, county, or group of cities or counties meets the requirements prescribed in section 145.917, the state commissioner of health shall pay the amount of subsidy to the city or county in accordance with applicable rules and regulations from the funds appropriated for the purpose. The commissioner of health shall make payments for community health services to each county in 12 installments per year. The commissioner shall ensure that the pertinent payment of the allotment for each month is made to each county on the first working day after the end of each month of the calendar year, except for the last month of the calendar year. The commissioner shall ensure that each county receives its payment of the allotment for that month no later than the last working day of that month. The payment described in this subdivision for services rendered during June, 1985 shall be made on the first working day of July, 1985.

Subd. 2. **FORMULA.** To determine the amount to be paid participating cities and counties, the state commissioner of health shall apply the following formula using the most current data available:

(a) All counties will be ranked in accordance with a formula involving three factors:

- (1) Per capita income;
- (2) Per capita taxable value; and

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(3) Per capita local expenditure per 1,000 population for community health services.

(b) Each county is then ranked as follows:

(1) On the basis of per capita income the ranking is from the lowest to the highest;

(2) Per capita taxable value is ranked from lowest to highest;

(3) Per capita expenditure is ranked from highest to lowest.

(c) The ranking given each county on each of the foregoing three factors is then totaled and the counties ranked in numerical order according to score.

(d) The total score for each county thus determined is then divided into a median total score. The quotient thus obtained is then multiplied by \$2.25 times the county population. The resulting product is the amount of subsidy to which the county is eligible under this formula, provided that no city or county shall receive less than \$1.75 or more than \$2.75 per capita, provided that such computation shall not include additional subsidies granted pursuant to subdivisions 4 or 5. The commissioner of health shall distribute a subsidy for the operations of boards of health organized and operating under sections 145.911 to 145.92.

(a) Each city or county eligible for a subsidy under section 145.917 shall receive no less for any calendar year than the total community health services subsidy that was allocated for that city or county by the commissioner of health under this section for calendar year 1985.

(b) Additional money appropriated for the operations of local boards of health organized and operating under sections 145.911 to 145.92 shall be distributed in proportion to population.

Subd. 3 2. **LOCAL MATCH.** The amount of local matching funds required to receive the full subsidy shall be determined by multiplying the population by \$4.50 and subtracting the community health services subsidy allocated under the provisions of this section. Each board of health that receives a subsidy shall provide local matching money equal to that subsidy during the year for which the subsidy is made, subject to the following provisions:

(a) the local matching funds may include local tax levies, gifts, fees for services and revenues from contracts;

(b) when the amount of local matching funds for a board of health is less than the amount specified, the state formula subsidy provided for that board of health under this section shall be reduced proportionally;

(c) when a participating city or county board of health fails to expend the full amount of the subsidy to which it would be entitled in any one year under

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the provisions of sections 145.911 to 145.922, the state commissioner of health may, ~~at his discretion,~~ retain the surplus, subject to disbursement ~~in the following year to the city or county board of health in the following calendar year~~ if ~~it the board of health~~ can demonstrate a need for and ability to expend the surplus for the purposes provided in section 145.918; and

(d) a city organized under the provisions of sections 145.911 to 145.922 that levies a tax for provision of community health services shall be exempted from any county levy for the same services to the extent of the levy imposed by the city.

Subd. 4. **PAYMENT.** ~~A city, county, or group of cities or counties with an aggregate population of 50,000 or more persons which meet the eligibility requirements of section 145.915 shall be entitled to an additional annual payment of \$.25 per capita.~~

~~Each county that combines with another county or counties for the purposes of sections 145.911 to 145.921 shall be entitled to an additional annual payment of \$5,000.~~

Subd. 5 3. **PLANNING GRANTS PAYMENT.** ~~The state commissioner of health may provide grants to any county or group of counties showing intent to come within the provisions of sections 145.911 to 145.921 for the purpose of planning for the development, implementation, and operation of community health services. No single county shall receive more than \$25,000 to conduct the planning. The state commissioner of health shall specify the terms and conditions of grants. When a board of health meets the requirements prescribed in section 145.917, the state commissioner of health shall pay the amount of subsidy to the board of health or its designee according to applicable rules and regulations from the money appropriated for the purpose and according to the following:~~

(a) ~~the commissioner of health shall make payments for community health services to each board of health or its designee in 12 installments a year;~~

(b) ~~the commissioner shall ensure that the pertinent payment of the allotment for each month is made on the first working day after the end of each month of the calendar year, except for the last month of the calendar year;~~

(c) ~~the commissioner shall ensure that each board of health or its designee receives its payment of the allotment for that month no later than the last working day of that month. The payment described in this subdivision for services rendered during June, 1985, shall be made on the first working day of July, 1985; and~~

(d) ~~the commissioner shall make payment to a human services board organized and operating under section 145.913, subdivision 1, paragraph (a), or to its designee, as prescribed in section 402.02, subdivision 4.~~

Sec. 21. Minnesota Statutes 1984, section 145.922, is amended to read:

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145.922 SPECIAL GRANTS.

Subdivision 1. **PLANNING GRANTS.** The state commissioner of health may provide grants not to exceed \$25,000 to any county for the purpose of planning to participate under sections 145.911 to 145.921. The commissioner of health shall specify the terms and conditions of grants.

Subd. 2. **MIGRANT HEALTH GRANTS.** The state commissioner of health may make special grants to cities, counties, groups of cities or counties, or nonprofit corporations to establish, operate or subsidize clinic facilities and services, including mobile clinics, to furnish health services for migrant agricultural workers and their families in areas of the state in which significant numbers of migrant workers are located. Applicants shall submit for approval a plan and budget for the use of the funds in the form and detail specified by the state commissioner of health. They shall maintain records, including records of expenditures to be audited, as the state commissioner of health specifies.

Subd. 2 3. **INDIAN HEALTH GRANTS.** The state commissioner of health may make special grants to local boards of health to establish, operate, or subsidize clinic facilities and services to furnish health services for American Indians who have no established county of residence. The community health services plan submitted by the local board of health must contain a proposal for the delivery of the services and documentation of input by affected segments of the community to the plan in order to qualify for a grant under this subdivision.

Sec. 22. PINE COUNTY COMMUNITY HEALTH SERVICES.

Subdivision 1. **REQUIREMENTS.** Notwithstanding the population requirement of section 145.917, subdivision 1, paragraph (a), Pine county is eligible for a subsidy under section 145.921, effective July 1, 1985, provided:

(1) the county meets all other requirements of sections 145.913 and 145.917;

(2) the county meets the population requirement of section 145.917, subdivision 1, paragraph (a), on or before January 1, 1986; and

(3) sufficient funds are appropriated for this purpose.

Subd. 2. **PAYMENT.** Payment of the subsidy authorized by this special law must begin on the last day of the month following the month in which the county complies with subdivision 1. The subsidy for the period July 1, 1985, through December 31, 1985, must be provided in a single payment. Subsequent payments must be made as prescribed in section 145.921.

Sec. 23. Minnesota Statutes 1984, section 171.29, subdivision 2, is amended to read:

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Subd. 2. Any (a) A person whose drivers license has been revoked as provided in subdivision 1, except under section 169.121 or 169.123, shall pay a \$30 fee before his drivers license is reinstated.

(b) A person whose drivers license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a ~~\$100~~ \$150 fee before his or her drivers license is reinstated; ~~75~~ 50 percent of this fee shall be credited to the trunk highway fund and ~~25~~ 50 percent shall be credited to ~~the general fund~~ a separate account to be known as the county probation reimbursement account. Money in this account is appropriated to the commissioner of corrections for the costs that counties assume under Laws 1959, chapter 698, of providing probation and parole services to wards of the commissioner of corrections. This money is provided in addition to any money which the counties currently receive under section 260.311, subdivision 5.

Sec. 24. Minnesota Statutes 1984, section 214.06, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any law to the contrary, the commissioner of health as authorized by section 214.13, all health related licensing boards and all nonhealth related licensing boards shall by rule, with the approval of the commissioner of finance, adjust any fee which the commissioner of health or the board is empowered to assess a sufficient amount so that the total fees collected by each board will as closely as possible equal anticipated expenditures during the fiscal biennium, as provided in section 16A.128. For members of an occupation registered after July 1, 1984 by the commissioner of health under the provisions of section 214.13, the fee established must include an amount necessary to recover, over a five year period, the commissioner's direct expenditures for adoption of the rules providing for registration of members of the occupation. All fees received shall be deposited with in the state treasurer and treasury. Fees received by health related licensing boards must be credited to the general special revenue fund.

Sec. 25. Minnesota Statutes 1984, section 241.01, subdivision 7, is amended to read:

Subd. 7. **USE OF FACILITIES BY OUTSIDE AGENCIES.** The commissioner of corrections may authorize and permit public or private social service, educational, or rehabilitation agencies or organizations, and their clients; or lawyers, insurance companies, or others; to use the facilities, staff, and other resources of correctional facilities under his control and may require the participating agencies or organizations to pay all or part of the costs thereof. All sums of money received pursuant to the agreements herein authorized shall not cancel until the end of the fiscal year immediately following the fiscal year in which the funds were received. The funds are available for use by the commissioner during

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that period, and are hereby appropriated annually to the commissioner of corrections for the purposes of this subdivision.

Sec. 26. Minnesota Statutes 1984, section 241.71, is amended to read:

241.71 CREATION OF ADVISORY TASK FORCE.

The commissioner of corrections may appoint an advisory task force on the woman offender in corrections. The task force shall have no more than 20 members and shall reflect a statewide geographical representation. The provisions of section 15.059, subdivision 6, shall govern the ~~expiration~~, terms, expenses, and removal of members of the advisory task force. Notwithstanding section 15.059, the advisory task force shall continue until it is terminated by the commissioner.

Sec. 27. Minnesota Statutes 1984, section 252.025, subdivision 1, is amended to read:

Subdivision 1. State hospitals for mentally retarded persons and persons having epilepsy shall be established and maintained at Faribault, Cambridge and Brainerd, and notwithstanding any provision to the contrary they shall be respectively known as the Faribault State Hospital, the Cambridge State Hospital, and the Brainerd State Hospital. Each of the foregoing state hospitals shall also be known by the name of regional center at the discretion of the commissioner of human services. The terms "human services" or "treatment" may be included in the designation.

Sec. 28. Minnesota Statutes 1984, section 252.28, subdivision 1, is amended to read:

Subdivision 1. **DETERMINATIONS; BIENNIAL REDETERMINATIONS.** In conjunction with the appropriate county boards, the commissioner of human services shall determine, and shall redetermine biennially, the need, location, size, and program of public and private residential and day care facilities and services for mentally retarded children and adults.

Sec. 29. Minnesota Statutes 1984, section 254.05, is amended to read:

254.05 DESIGNATION OF STATE HOSPITALS.

The state hospital for the insane located at Anoka shall hereafter be known and designated as the Anoka state hospital; the state hospital for the insane located at Hastings shall hereafter be known and designated as the Hastings state hospital; the state hospital for the insane and the hospital farm for inebriates located at Willmar shall hereafter be known and designated as the Willmar state hospital; the state hospital for the insane located at Moose Lake shall hereafter be known and designated as the Moose Lake state hospital; the state hospital for the insane located at Fergus Falls shall hereafter be known and designated as the Fergus Falls state hospital; the state hospital for the insane

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located at Rochester shall hereafter be known and designated as the Rochester state hospital; and the state hospital for the insane located at St. Peter shall hereafter be known and designated as the St. Peter state hospital. Each of the foregoing state hospitals shall also be known by the name of regional center at the discretion of the commissioner of human services. The terms "human services" or "treatment" may be included in the designation.

Sec. 30. Minnesota Statutes 1984, section 256.737, is amended to read:
256.737 COMMUNITY WORK EXPERIENCE PROGRAM.

In order that persons receiving aid under this chapter may be assisted in achieving self-sufficiency by enhancing their employability through meaningful work experience and training and the development of job search skills, the commissioner of human services may continue the pilot community work experience demonstration programs that were approved by January 1, 1984. No new pilot community work experience demonstration programs may be established. The commissioner shall: (a) assist counties in the design, implementation, and evaluation of these demonstration programs; (b) promulgate, in accordance with chapter 14, emergency rules necessary for the implementation of this section, except that the time restrictions of section 14.35 shall not apply and the rules may be in effect until the termination of the demonstration programs; and (c) seek any federal waivers necessary for proper implementation of this section in accordance with federal law. The commissioner shall prohibit use of participants in the programs to do work that was part or all of the duties or responsibilities of an authorized public employee position established as of January 1, 1983. The exclusive bargaining representative shall be notified no less than 14 days in advance of any placement by the community work experience program. Concurrence with respect to job duties of persons placed under the community work experience program shall be obtained from the appropriate exclusive bargaining representative. The appropriate oversight committee shall be given monthly lists of all job placements under a community work experience program.

Projects shall end no later than June 30, ~~1985~~ 1987, and a preliminary report shall be made to the legislature by February 15, ~~1985~~ 1987, on the feasibility of permanent implementation and on the cost effectiveness of each of the demonstration programs.

Sec. 31. Minnesota Statutes 1984, section 256.82, subdivision 2, is amended to read:

Subd. 2. **FOSTER CARE MAINTENANCE PAYMENTS.** Notwithstanding subdivision 1, for the purposes of foster care maintenance payments under Title IV-E of the federal Social Security Act, 42 U.S.C. Sections 670 to 676, during the biennium ending June 30, 1983 period beginning July 1, 1985, and ending December 31, 1985, the county paying the maintenance costs shall be reimbursed for the costs from those federal funds available for that purpose

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together with an amount of state funds equal to a percentage of the difference between the total cost and the federal funds made available for payment. This percentage shall not exceed the percentage specified in subdivision 1 for the aid to families with dependent children program. In the event that the state appropriation for this purpose is less than the state percentage set in subdivision 1, the reimbursement shall be rateably reduced to the county. Beginning January 1, 1986, for the purpose of foster care maintenance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676, the county paying the maintenance costs must be reimbursed for the costs from the federal money available for the purpose.

Sec. 32. Minnesota Statutes 1984, section 256.87, subdivision 1, is amended to read:

Subdivision 1. **ACTIONS AGAINST PARENTS FOR ASSISTANCE FURNISHED.** At any time during the continuance of assistance to a child granted under sections 256.72 to 256.87 except as set forth below, A parent of a child is liable for the amount of assistance furnished during the two years immediately preceding the commencement of the action under sections 256.72 to 256.87 to and for the benefit of the child, including any assistance furnished for the benefit of the caretaker of the child, which the parent is reasonably able has had the ability to pay. Provided, however, The parent's liability is limited to the amount of assistance furnished during the two years immediately preceding the commencement of the action, except that where child support has been previously ordered, the state or county agency providing the assistance, as assignee of the obligee, shall be entitled to judgments for child support payments accruing within ten years preceding the date of the commencement of the action to collect up to the full amount of assistance furnished. The action may be ordered by the state agency or county agency and shall be brought in the name of the county by the county attorney of the county in which the assistance was granted, or by the state agency against the parent for the recovery of the amount of assistance granted, together with the costs and disbursements of the action.

Sec. 33. Minnesota Statutes 1984, section 256.871, subdivision 4, is amended to read:

Subd. 4. **EMERGENCY DEFINED.** An emergency is a situation or set of circumstances which endangers or threatens to endanger the health or safety of a child or his or her relative caretaker. Examples of emergencies which create the need for such assistance include natural disasters such as floods, fires, or storms; civil disorders; strikes; illness; accident; death; eviction from shelter; migrant families in necessitous circumstances; or other crises, as defined by the commissioner, in accordance with directives of the United States secretary of health, education, and welfare human services. The commissioner shall limit, entirely or in part, emergency assistance payments for utilities and

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housing when eligible families do not demonstrate that they have made a good faith effort to meet those payments.

Sec. 34. Minnesota Statutes 1984, section 256.969, subdivision 1, is amended to read:

Subdivision 1. **ANNUAL COST INDEX.** The commissioner of human services shall develop a prospective payment system for inpatient hospital service under the medical assistance and general assistance medical care programs. Rates ~~paid to established~~ for licensed hospitals for rate years beginning during the fiscal biennium ending June 30, ~~1985~~ 1987, shall not exceed an annual hospital cost index for the final rate allowed to the hospital for the preceding year not to exceed five percent in any event. The annual hospital cost index shall be obtained from an independent source representing a statewide average of inflation estimates determined for expense categories to include salaries, employee benefits, medical fees, raw food, medical supplies, pharmaceuticals, utilities, repairs and maintenance, insurance other than malpractice insurance, and other applicable expenses as determined by the commissioner. The index shall reflect the regional differences within the state and include a one percent increase to reflect changes in technology. The annual hospital cost index shall be published 30 days before the start of each calendar quarter and shall be applicable to all hospitals whose fiscal years start on or during the calendar quarter.

Sec. 35. Minnesota Statutes 1984, section 256.969, subdivision 2, is amended to read:

Subd. 2. **RATES FOR INPATIENT HOSPITALS.** Rates paid to inpatient hospitals shall be based on a rate per admission until the commissioner can begin to reimburse hospitals for services under the medical assistance and general assistance medical care programs based upon a diagnostic classification system appropriate to the service populations. On July 1, 1984, the commissioner shall begin to utilize to the extent possible existing classification systems, including medicare. The commissioner ~~shall~~ may incorporate the grouping of hospitals with similar characteristics for uniform rates upon the development and implementation of the diagnostic classification system. Prior to implementation of the diagnostic classification system, the commissioner shall report the proposed grouping of hospitals to the senate health and human services committee and the house health and welfare committee. Medical assistance and general assistance medical care reimbursement for treatment of mental illness shall be reimbursed based upon diagnosis classifications. The commissioner may selectively contract with hospitals for services within the diagnostic classifications relating to mental illness and chemical dependency under competitive bidding when reasonable geographic access by recipients can be assured. No physician shall be denied the privilege of treating a recipient required to utilize a hospital under contract with the commissioner, as long as the physician meets credentialing standards of the individual hospital.

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Sec. 36. Minnesota Statutes 1984, section 256.969, is amended by adding a subdivision to read:

Subd. 2a. AUDIT ADJUSTMENTS TO INPATIENT HOSPITAL RATES. Inpatient hospital rates established under subdivision 2 using 1981 historical medicare cost-report data may be adjusted based on the findings of audits of hospital billings and patient records performed by the commissioner that identify billings for services that were not delivered or never ordered. The audit findings may be based on a statistically valid sample of billings of the hospital. After the audits are complete, the commissioner shall adjust rates paid in subsequent years to reflect the audit findings and recover payments in excess of the adjusted rates or reimburse hospitals when audit findings indicate that underpayments were made to the hospital.

Sec. 37. Minnesota Statutes 1984, section 256B.04, subdivision 14, is amended to read:

Subd. 14. **COMPETITIVE BIDDING.** The commissioner shall utilize volume purchase through competitive bidding under the provisions of chapter 16, to provide the following items:

- (1) Eyeglasses;
- (2) Oxygen. The commissioner shall provide for oxygen needed in an emergency situation on a short-term basis, until the vendor can obtain the necessary supply from the contract dealer;
- (3) Hearing aids and supplies; and
- (4) Durable medical equipment, including but not limited to:
 - (a) hospital beds;
 - (b) commodes;
 - (c) glide-about chairs;
 - (d) patient lift apparatus;
 - (e) wheelchairs and accessories;
 - (f) oxygen administration equipment;
 - (g) respiratory therapy equipment; and
 - (h) electronic diagnostic, therapeutic and life support systems; and
- (5) wheelchair transportation services.

Sec. 38. Minnesota Statutes 1984, section 256B.062, is amended to read:

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256B.062 CONTINUED ELIGIBILITY.

Subdivision 1. Any family which was eligible for aid to families with dependent children in at least three of the six months immediately preceding the month in which the family became ineligible for aid to families with dependent children because of increased income from employment shall, while a member of the family is employed, remain eligible for medical assistance for four calendar months following the month in which the family would otherwise be determined to be ineligible due to the income and resources limitations of this chapter.

Subd. 2. A family whose eligibility for aid to families with dependent children is terminated because of the loss of the \$30, or the \$30 and one-third earned income disregard is eligible for medical assistance for 12 calendar months following the month in which the family loses medical assistance eligibility as an aid to families with dependent children recipient.

Sec. 39. [256B.0641] RECOVERY OF OVERPAYMENTS.

Subdivision 1. Notwithstanding section 256B.72 or any law or rule to the contrary, when the commissioner or the federal government determines that an overpayment has been made by the state to any medical assistance vendor, the commissioner shall recover the overpayment as follows:

(1) if the federal share of the overpayment amount is due and owing to the federal government under federal law and regulations, the commissioner shall recover from the medical assistance vendor the federal share of the determined overpayment amount paid to that provider using the schedule of payments required by the federal government; and

(2) if the overpayment to a medical assistance vendor is due to a retroactive adjustment made because the medical assistance vendor's temporary payment rate was higher than the established desk audit payment rate or because of a department error in calculating a payment rate, the commissioner shall recover from the medical assistance vendor the total amount of the overpayment within 120 days after the date on which written notice of the adjustment is sent to the medical assistance vendor or according to a schedule of payments approved by the commissioner.

Sec. 40. Minnesota Statutes 1984, section 256B.092, subdivision 1, is amended to read:

Subdivision 1. COUNTY OF FINANCIAL RESPONSIBILITY; DUTIES. Before any services shall be rendered to mentally retarded persons in need of social service and medical assistance, the county of financial responsibility shall conduct a diagnostic evaluation in order to determine whether the person is or may be mentally retarded. If a client is diagnosed mentally retarded, that county must conduct a needs assessment, develop an individual service plan, provide ongoing case management services at the level identified in the individual

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service plan, and authorize placement for services. If the county of financial responsibility places a client in another county for services, the placement shall be made in cooperation with the host county of service, and arrangements shall be made between the two counties for ongoing social service, including annual reviews of the client's individual service plan. The host county may not make changes in the service plan without approval by the county of financial responsibility.

Sec. 41. Minnesota Statutes 1984, section 256B.092, is amended by adding a subdivision to read:

Subd. 1a. CASE MANAGEMENT SERVICES. Case management services include diagnosis, an assessment of the individual's service needs, an individual service plan, an individual habilitation plan, and methods for providing, evaluating and monitoring the services identified in the plan.

Sec. 42. Minnesota Statutes 1984, section 256B.092, is amended by adding a subdivision to read:

Subd. 1b. INDIVIDUAL SERVICE AND HABILITATION PLANS. The individual service and habilitation plans must

- (1) include the results of the diagnosis and assessment,
- (2) identify goals and objectives for the client, and
- (3) identify specific services to be provided to the client.

The individual habilitation plan shall carry out the goals and objectives of the individual service plan.

Sec. 43. Minnesota Statutes 1984, section 256B.092, subdivision 2, is amended to read:

Subd. 2. MEDICAL ASSISTANCE. To assure quality case management to those county clients who are eligible for medical assistance, the commissioner shall, upon request by the county board: (a) provide consultation on the case management process; (b) assist county agencies in the screening and annual reviews of clients to assure that appropriate levels of service are provided; (c) provide consultation on service planning and development of services with appropriate options; (d) provide training and technical assistance to county case managers; and (e) authorize payment for medical assistance services.

Sec. 44. Minnesota Statutes 1984, section 256B.092, subdivision 7, is amended to read:

Subd. 7. SCREENING TEAMS ESTABLISHED. Each county agency shall establish a screening team which, under the direction of the county case manager, shall make an evaluation of need for home and community-based services of persons who are entitled to the level of care provided by an

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intermediate care facility for mentally retarded persons or for whom there is a reasonable indication that they might ~~need the services in the near future~~ require the level of care provided by an intermediate care facility. The screening team shall make an evaluation of need within 15 working days of the request for service and within five working days of an emergency admission of an individual to an intermediate care facility for mentally retarded persons. The screening team shall consist of the case manager, the client, a parent or guardian, a qualified mental retardation professional, as defined in the Code of Federal Regulations, title 42, section 442.401, as amended through December 31, 1982, ~~assigned by the commissioner~~. For individuals determined to have overriding health care needs, a registered nurse must be designated as either the case manager or the qualified mental retardation professional. The case manager shall consult with the client's physician, other health professionals or other persons as necessary to make this evaluation. ~~Other persons may be invited~~ The case manager, with the concurrence of the client or the client's legal representative, may invite other persons to attend meetings of the screening team. No member of the screening team shall have any direct or indirect service provider interest in the case.

Sec. 45. Minnesota Statutes 1984, section 256B.092, subdivision 8, is amended to read:

Subd. 8. **SCREENING TEAM DUTIES.** The screening team shall:

- (a) review diagnostic data;
- (b) review health, social, and developmental assessment data using a uniform screening tool specified by the commissioner;
- (c) identify the level of services needed to maintain the person in the most normal and least restrictive setting that is consistent with treatment needs;
- (d) identify other noninstitutional public assistance or social service that may prevent or delay long-term residential placement;
- (e) ~~determine~~ assess whether a client is in serious need of long-term residential care;
- (f) make recommendations to ~~the county agency~~ regarding placement and payment for: (1) social service or public assistance support to maintain a client in the client's own home or other place of residence; (2) training and habilitation service, vocational rehabilitation, and employment training activities; (3) community residential placement; (4) state hospital placement; or (5) a home and community-based alternative to community residential placement or state hospital placement;
- (g) identify the cost implications of recommendations in (f), above;

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(h) make recommendations to a court as may be needed to assist the court in making commitments of mentally retarded persons; and

(h) (i) inform clients that appeal may be made to the commissioner pursuant to section 256.045.

Sec. 46. Minnesota Statutes 1984, section 256B.19, subdivision 1, is amended to read:

Subdivision 1. **DIVISION OF COST.** The cost of medical assistance paid by each county of financial responsibility shall be borne as follows: Payments shall be made by the state to the county for that portion of medical assistance paid by the federal government and the state on or before the 20th day of each month for the succeeding month upon requisition from the county showing the amount required for the succeeding month. Ninety percent of the expense of assistance not paid by federal funds available for that purpose shall be paid by the state and ten percent shall be paid by the county of financial responsibility.

For counties where health maintenance organizations are under contract to the state to provide services to medical assistance recipients that participate in a medicaid demonstration project under sections 256B.69 and 256B.71, the division of the nonfederal share of medical assistance expenses for payments made to prepaid health plans or for payments made to health maintenance organizations in the form of prepaid capitation payments, this division of medical assistance expenses shall be 95 percent by the state and five percent by the county of financial responsibility.

State contracts with health maintenance organizations shall assure medical assistance recipients of at least the comprehensive health maintenance services defined in section 62D.02, subdivision 7. The contracts shall require health maintenance organizations to provide information to the commissioner concerning the number of people receiving services, the number of encounters, the type of services received, evidence of an operational quality assurance program pursuant to section 62D.04 and information about utilization.

Persons who become eligible for medical assistance after July 1, 1984, who are not participating in any Medicaid demonstration project as defined under sections 256B.70 and 256B.71, and who choose at the time of application for assistance to receive services from a health maintenance organization, shall be guaranteed six months of coverage by a state contracted health maintenance organization if the recipient remains in the health maintenance organization from the time of initial enrollment. The continued eligibility guarantee shall not be granted when ineligibility for medical assistance is due to death, loss of state or county residency, failure to respond to the county's efforts to contact the recipient, failure to locate the recipient, or when the recipient is eligible for continued eligibility as defined in section 256B.062 In counties where prepaid

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health plans are under contract to the commissioner to provide services to medical assistance recipients, the cost of court ordered treatment that does not include diagnostic evaluation, recommendation, or referral for treatment by the prepaid health plan is the responsibility of the county of financial responsibility.

Sec. 47. Minnesota Statutes 1984, section 256B.41, is amended by adding a subdivision to read:

Subd. 3. PAYMENT RATES. Payment rates paid to any nursing home receiving medical assistance payments must be those rates established pursuant to this chapter and rules adopted under it.

Sec. 48. [256B.411] COMPLIANCE WITH STATE STATUTES.

Subdivision 1. FUNDING. Subject to exceptions in section 256B.25, subdivision 3, no nursing home may receive any state or local payment for providing care to a person eligible for medical assistance, except under the medical assistance program.

Subd. 2. REQUIREMENTS. No medical assistance payments shall be made to any nursing home unless the nursing home is certified to participate in the medical assistance program under title XIX of the federal Social Security Act and has in effect a provider agreement with the commissioner meeting the requirements of state and federal statutes and rules. No medical assistance payments shall be made to any nursing home unless the nursing home complies with all requirements of Minnesota Statutes including, but not limited to, chapter 256B and rules adopted under it that govern participation in the program. This section applies whether the nursing home participates fully in the medical assistance program or is withdrawing from the medical assistance program. No future payments may be made to any nursing home which has withdrawn or is withdrawing from the medical assistance program except as provided in section 50; provided, however, that payments may also be made under a court order entered on or before June 7, 1985, unless the court order is reversed on appeal.

Sec. 49. Minnesota Statutes 1984, section 256B.421, subdivision 1, is amended to read:

Subdivision 1. SCOPE. For the purposes of sections 256B.41, 256B.411, 256B.421, 256B.431, 256B.47, 256B.48, 256B.50, and 256B.502, the following terms and phrases shall have the meaning given to them.

Sec. 50. Minnesota Statutes 1984, section 256B.48, is amended by adding a subdivision to read:

Subd. 1a. TERMINATION. If a nursing home terminates its participation in the medical assistance program, whether voluntarily or involuntarily, the commissioner may authorize the nursing home to receive continued medical assistance reimbursement only on a temporary basis until medical assistance

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

residents can be relocated to nursing homes participating in the medical assistance program.

Sec. 51. Minnesota Statutes 1984, section 256B.48, is amended by adding a subdivision to read:

Subd. 1b. EXCEPTION. Notwithstanding any agreement between a nursing home and the department of human services or the provisions of this section or section 256B.411, other than subdivision 1a of this section, the commissioner may authorize continued medical assistance payments to a nursing home which ceased intake of medical assistance recipients prior to July 1, 1983, and which charges private paying residents rates that exceed those permitted by subdivision 1, paragraph (a), for (i) residents who resided in the nursing home before July 1, 1983, or (ii) residents for whom the commissioner or any predecessors of the commissioner granted a permanent individual waiver prior to October 1, 1983. In the event that the state is determined by the federal government to be no longer eligible for the federal share of medical assistance payments made to a nursing home under this subdivision, the commissioner may cease medical assistance payments, under this subdivision, to that nursing home.

Sec. 52. Minnesota Statutes 1984, section 256B.48, is amended by adding a subdivision to read:

Subd. 6. MEDICARE CERTIFICATION. All nursing homes certified as skilled nursing facilities under the medical assistance program shall participate in medicare part A and part B unless, after submitting an application, medicare certification is denied by the federal health care financing administration. Medicare review will be conducted at the time of the annual medical assistance review. Charges for medicare-covered services provided to residents who are simultaneously eligible for medical assistance and medicare must be billed to medicare part A or part B prior to billing medical assistance. Medical assistance may be billed only for charges not reimbursed by medicare.

Sec. 53. Minnesota Statutes 1984, section 256B.503, is amended to read:

256B.503 RULES.

To implement Laws 1983, chapter 312, article 9, sections 1 to 7, the commissioner shall promulgate emergency and permanent rules in accordance with sections 14.01 to 14.38. Rules adopted to implement Laws 1983, chapter 312, article 9, section 5, must (a) be in accord with the provisions of Minnesota Statutes, chapter 256E, (b) set standards for case management which include, encourage and enable flexible administration, (c) require the county boards to develop individualized procedures governing case management activities, (d) consider criteria promulgated under section 256B.092, subdivision 3, and the federal waiver plan, (e) identify cost implications to the state and to county boards, and (f) require the screening teams to make recommendations to the county case manager for development of the individual service plan.

Changes or additions are indicated by underline, deletions by strikeout.

The commissioner shall adopt permanent rules to implement this section by July 1, 1986. Emergency rules adopted under this section are effective until that date.

Sec. 54. [256B.72] RIGHT OF APPEAL.

The commissioner shall not recover overpayments from medical assistance vendors if an administrative appeal or judicial action challenging the proposed recovery is pending.

Sec. 55. Minnesota Statutes 1984, section 256D.01, subdivision 1a, is amended to read:

Subd. 1a. **STANDARDS.** A principal objective in providing general assistance is to provide for persons ineligible for federal programs who are unable to provide for themselves. To achieve these aims, the commissioner shall establish minimum standards of assistance for general assistance. The minimum standard of assistance determines the total amount of the general assistance grant without separate standards for shelter, utilities, or other needs and.

For a recipient who is a member of a one-person assistance unit, the standard shall not be less than the combined total of the minimum standards of assistance for shelter and basic needs in effect on February 1, 1983. The standards of assistance shall not be lower for a recipient sharing a residence with another person unless that person is a responsible relative. The standards of assistance for recipients who are members of an assistance unit composed of more than one person must be equal to the aid to families with dependent children standard of assistance for a family of similar size and composition.

The standards shall be lowered for recipients who share a residence with a responsible relative who also receives general assistance or who receives AFDC person who is a responsible relative of one or more members of the assistance unit if the responsible relative also receives general assistance or aid to families with dependent children. The standards must also be lowered for recipients who share a residence with a responsible relative if the relative is not receiving general assistance or aid to families with dependent children because the relative has been sanctioned or disqualified. If the responsible relative is receiving AFDC general assistance or aid to families with dependent children, or would be receiving them but for sanction or disqualification, then the amount payable standard applicable to the general assistance recipient recipient's assistance unit must not exceed equal the amount that would be attributable to him if he were included in the AFDC to the members of the assistance unit if the members were included as additional recipients in the responsible relative's general assistance or aid to families with dependent children grant. When determining the amount attributable to members of an assistance unit that must receive a reduced standard, the amount attributed to adults must be the amount attributed to another child added to the responsible relative's assistance unit. When an assistance unit is

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subject to a reduced standard, the reduced standard must not exceed the standard that applies to an assistance unit that does not share a residence with a responsible relative.

For recipients who are not exempt from registration with the department of economic security pursuant to section 256D.111, subdivision 2, clauses (a), (f), (g), and (h), and, except recipients who are eligible under section 256D.05, subdivision 1, paragraph (a), clauses (1), (7), (8), (9), and (14), who share a residence with a responsible relative who is not eligible for receiving general assistance or aid to families with dependent children but who receives other income, the standards shall be lowered, subject to these limitations:

(a) The general assistance grant to the one-person assistance unit shall be in an amount such that total household income is equal to the AFDC aid to families with dependent children standard for a household of like size and composition, except that the grant shall not exceed that paid to a general assistance recipient living independently.

(b) Benefits received by a responsible relative under the supplemental security income program, the social security retirement program if the relative was receiving benefits under the social security disability program at the time he or she became eligible for the social security retirement program or if the relative is a person described in section 256D.05, subdivision 1, paragraph (a), clauses (1), (7), or (9), the social security disability program, a workers' compensation program, the Minnesota supplemental aid program, or on the basis of the relative's disability, must not be included in the household income calculation.

Sec. 56. Minnesota Statutes 1984, section 256D.01, subdivision 1b, is amended to read:

Subd. 1b. **RULES.** The commissioner shall may adopt emergency rules and shall adopt permanent rules to set standards of assistance and methods of calculating payment to conform with subdivision 1a. The minimum standards of assistance shall authorize the payment of rates negotiated by local agencies for recipients living in a room and board arrangement. Except for payments made to a secure crisis shelter under section 256D.05, subdivision 3, monthly general assistance payments for rates negotiated by a local agency on behalf of recipients living in a room and board, boarding care, supervised living, or adult foster care arrangement must not exceed the limits established under the Minnesota supplemental aid program. In order to maximize the use of federal funds, the commissioner shall adopt rules, to the extent permitted by federal law for eligibility for the emergency assistance program under aid to families with dependent children, and under the terms of sections 256D.01 to 256D.21 for general assistance, to require use of the emergency program under aid to families with dependent children as the primary financial resource when available. The commissioner shall provide by rule for eligibility for general assistance of persons

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with seasonal income, and may attribute seasonal income to other periods not in excess of one year from receipt by an applicant or recipient.

Sec. 57. Minnesota Statutes 1984, section 256D.03, subdivision 4, is amended to read:

Subd. 4. **GENERAL ASSISTANCE MEDICAL CARE; SERVICES.**

(a) Reimbursement under the general assistance medical care program shall be limited to the following categories of service: inpatient hospital care, outpatient hospital care, services provided by medicare certified rehabilitation agencies, prescription drugs, equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level, eyeglasses and eye examinations provided by a physician or optometrist, hearing aids, prosthetic devices, laboratory and x-ray services, physician's services, medical transportation, chiropractic services as covered under the medical assistance program, podiatric services, and dental care. In addition, payments of state aid shall be made for day treatment services provided by a mental health center established under sections 245.61 to 245.69, subdivision 1, and funded through chapter 256E and for prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization.

(b) In order to contain costs, ~~the county board shall, with the approval of the commissioner of human services, shall~~ select vendors of medical care who can provide the most economical care consistent with high medical standards and ~~may shall where possible~~ contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall ~~encourage county boards to submit consider proposals by counties and vendors for demonstration projects prepaid health plans, competitive bidding programs, block grants, 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. Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program in a manner that reflects the risk of adverse selection and the nature of the patients served by the hospital, provided the terms of participation in the program are competitive with the terms of other participants considering the nature of the population served. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under section 256B.02, subdivision 8, ~~except that where counties enter into prepaid capitation agreements, payments shall be as provided in section 256.966, subdivision 2. The rates payable under this section must be calculated according to section 256.966, subdivision 2.~~

(c) The commissioner of human services may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the

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amount appropriated for general assistance medical care, within the following restrictions.

For the period ~~July 1, 1983~~ 1985, to ~~June 30, 1984~~ December 31, 1985, reductions below the cost per service unit allowable under section 256.966, are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than ~~45~~ 30 percent; payments for all other inpatient hospital care may be reduced no more than ~~35~~ 20 percent. Reductions below the payments allowable under ~~section 256.967~~ general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ~~25~~ ten percent.

For the period ~~July 1, 1984~~ January 1, 1986 to ~~June 30, 1985~~ December 31, 1986, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than ~~30~~ 20 percent; payments for all other inpatient hospital care may be reduced no more than ~~20~~ 15 percent. Reductions below the payments allowable under ~~section 256.967~~ general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ~~ten~~ five percent.

For the period January 1, 1987 to June 30, 1987, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than ten percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

There shall be no copayment required of any recipient of benefits for any services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

(d) Any county may, from its own resources, provide medical 5 payments for which state payments are not made.

Sec. 58. Minnesota Statutes 1984, section 256D.03, subdivision 6, is amended to read:

Subd. 6. **DIVISION OF COSTS.** The state shall pay 90 percent of the cost of general assistance medical care paid by the local agency or county pursuant to this section. ~~However, for counties who contract with health maintenance organizations or other providers to deliver services under a prepaid~~

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capitation agreement, the state shall pay 95 percent of the cost per person enrolled. In counties where prepaid health plans are under contract to the commissioner to provide services to general assistance medical care recipients, the cost of court ordered treatment that does not include diagnostic evaluation, recommendation, or referral for treatment by the prepaid health plan is the responsibility of the county of financial responsibility.

Sec. 59. Minnesota Statutes 1984, section 256D.05, subdivision 1, is amended to read:

Subdivision 1. **STANDARDS ELIGIBILITY.** (a) Each person or family whose income and resources are less than the standard of assistance established by the commissioner shall be eligible for and entitled to general assistance; provided that no individual shall be eligible for general assistance if the individual is eligible for any of the following federally aided assistance programs: emergency assistance, aid to families with dependent children, or any successor to the above if the person or family is:

(1) a person who is suffering from a permanent or temporary illness, injury, or incapacity which is medically certified and which prevents the person from obtaining or retaining employment;

(2) a person whose presence in the home on a substantially continuous basis is required because of the certified illness, injury, incapacity, or the age of another member of the household;

(3) a person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilitation, or in an approved chemical dependency domiciliary facility, if the placement is based on illness or incapacity and is pursuant to a plan developed or approved by the local agency through its director or designated representative;

(4) a person who resides in a shelter facility described in section 256D.05, subdivision 3;

(5) a person who is or may be eligible for displaced homemaker services, programs, or assistance under section 4.40, but only if that person is enrolled as a full-time student;

(6) a person who is unable to secure suitable employment due to inability to communicate in the English language, provided that the person is not an illegal alien, and who, if assigned to a language skills program by the local agency, is participating in that program;

(7) a person not described in clause (1) or (3) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining employment;

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(8) a person who has an application pending for the social security disability program or the program of supplemental security income for the aged, blind, and disabled, or who has been terminated from either program and has an appeal from that termination pending;

(9) a person who is unable to obtain or retain employment because advanced age significantly affects his or her ability to seek or engage in substantial work;

(10) a person completing a secondary education program;

(11) a family with one or more minor children; provided that, if all the children are six years of age or older, all the adult members of the family register for and cooperate in the work readiness program under section 256D.051; and provided further that, if one or more of the children are under the age of six and if the family contains more than one adult member, all the adult members except one adult member register for and cooperate in the work readiness program under section 256D.051. The adult members required to register for and cooperate with the work readiness program are not eligible for financial assistance under section 256D.051, except as provided in section 256D.051, subdivision 6, and shall be included in the general assistance grant. If an adult member fails to cooperate with requirements of section 256D.051, the local agency shall not take his needs into account in making the grant determination. The time limits of section 256D.051, subdivisions 4 and 5, do not apply to people eligible under this clause.

(12) a person who has substantial barriers to employment, including but not limited to factors relating to work or training history, as determined by the local agency in accordance with permanent or emergency rules adopted by the commissioner after consultation with the commissioner of economic security;

(13) a person who is certified by the commissioner of economic security before August 1, 1985, as lacking work skills or training or as being unable to obtain work skills or training necessary to secure employment, as defined in a permanent or emergency rule adopted by the commissioner of economic security in consultation with the commissioner; or

(14) a person who is determined by the local agency, in accordance with emergency and permanent rules adopted by the commissioner, to be functionally illiterate or learning disabled.

(b) The following persons or families with income and resources that are less than the standard of assistance established by the commissioner are eligible for and entitled to a maximum of six months of general assistance during any consecutive 12-month period, after registering with and completing six months in a work readiness program under section 256D.051:

(1) a person who has borderline mental retardation; and

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(2) a person who exhibits perceptible symptoms of mental illness as certified by a qualified professional but who is not eligible for general assistance under paragraph (a), because the mental illness interferes with the medical certification process; provided that the person cooperates with social services, treatment, or other plans developed by the local agency to address the illness.

In order to retain eligibility under this paragraph, a recipient must continue to cooperate with work and training requirements as determined by the local agency.

Sec. 60. [256D.051] WORK READINESS PROGRAM.

Subdivision 1. WORK REGISTRATION. A person or family whose income and resources are less than the standard of assistance established by the commissioner, but who are not eligible to receive general assistance under section 256D.05, subdivision 1, are eligible for a work readiness program. Upon registration, a registrant is eligible to receive assistance in an amount equal to general assistance under section 256D.05, subdivision 1, for a maximum of six months during any consecutive 12-month period, subject to subdivisions 3, 4, and 5. The local agency shall pay work readiness assistance in monthly payments beginning at the time of registration.

Subd. 2. LOCAL AGENCY DUTIES. (a) The local agency shall provide to registrants under subdivision 1 a work readiness program. The work readiness program must include:

(1) an employability assessment and development plan in which the local agency estimates the length of time it will take the registrant to obtain employment;

(2) referral to available employment assistance programs including the Minnesota employment and economic development program;

(3) a job search program; and

(4) other activities designed by the local agency to prepare the registrant for permanent employment.

In order to allow time for job search, the local agency shall not require an individual to participate in the work readiness program for more than 32 hours a week. The local agency shall require an individual to spend at least eight hours a week in job search or other work readiness program activities.

(b) The local agency may provide a work readiness program to recipients under section 256D.05, subdivision 1, paragraph (b).

Subd. 3. REGISTRANT DUTIES. In order to receive work readiness assistance, a registrant shall cooperate with the local agency in all aspects of the work readiness program and shall accept any suitable employment, including employment offered through the Job Training Partnership Act, Minnesota em-

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ployment and economic development act, and other employment and training options. The local agency may terminate assistance to a registrant who fails to cooperate in the work readiness program. A registrant who is terminated for failure to cooperate is not eligible, for a period of two months, for any remaining or additional work readiness assistance for which the registrant would otherwise be eligible.

Subd. 4. TWO-MONTH ASSISTANCE. The local agency shall terminate a registrant after two months in the work readiness program if the local agency determines that registrant is not eligible for assistance under subdivision 5. During the second month of work readiness assistance, the local agency must assess the registrant's eligibility under subdivision 5 and inform the registrant of the outcome of the assessment. A registrant who is not eligible under subdivision 5 is eligible for a maximum of two months of work readiness assistance in any consecutive 24-month period.

Subd. 5. SIX-MONTH ASSISTANCE. The following registrants are eligible for work readiness assistance for a maximum of six months in any consecutive 12-month period:

(1) a person who has borderline mental retardation;

(2) a person who exhibits perceptible symptoms of mental illness as certified by a qualified professional but who is not eligible for general assistance under section 256D.05, subdivision 1 because the mental illness interferes with the medical certification process; and

(3) a person who is certified by the commissioner of economic security as being unable to secure suitable employment because the person lives in a distressed county or who is unable to secure suitable employment because the local agency has determined that no jobs are available that a person with the registrant's work history, skills, and ability has the physical and mental ability to perform. For purposes of this paragraph, a county is distressed if it has an average unemployment rate of ten percent or more for the one-year period ending on April 30 of the year in which the designation is made. The commissioner shall designate a contiguous portion of a county containing a city of the first class located outside of the metropolitan area as a distressed county if:

(a) that portion of the county has an unemployment rate of ten percent or more for the one-year period ending on April 30 of the year in which the designation is made; and

(b) that portion of the county has a population of at least 50,000 as determined by the 1980 federal census.

Subd. 6. LOCAL AGENCY OPTIONS. The local agency may, at its option, provide up to \$100 per registrant for direct expenses incurred by the registrant for transportation, clothes, and tools necessary for employment. The

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local agency may provide an additional \$100 for direct expenses of registrants remaining in the work readiness program for more than two months. After paying direct expenses as needed by individual registrants, the local agency may use any remaining money to provide additional services as needed by any registrant including education, orientation, placement, other work experience, on-the-job training, and other appropriate activities.

Subd. 7. REGISTRANT STATUS. A registrant under this section is not an employee for the purposes of workers' compensation, unemployment insurance compensation, retirement, or civil service laws, and shall not perform work ordinarily performed by a regular public employee.

Subd. 8. INELIGIBILITY. A person who is otherwise eligible to receive work readiness assistance under subdivision 1 must be terminated from work readiness assistance if he or she quits work without good cause, is fired for misconduct, or refuses to accept an offer of suitable employment.

Subd. 9. SUBCONTRACTORS. A local agency may, at its option, subcontract any or all of the duties under subdivision 2.

Subd. 10. STATE AID. State aid shall be paid to local agencies according to the formula in section 256D.03, subdivision 2, for the costs of providing assistance under this section.

Subd. 11. ADMINISTRATIVE COSTS. Administrative costs incurred under subdivision 2 must not exceed \$50 per registrant.

Subd. 12. SEPARATE APPLICATION REQUIRED. An application for general assistance medical care must be made independently of an application for general assistance and intake interviews for the programs must not be conducted concurrently. The local agency may use information and verifications received for either program to complete an application and determine eligibility for the other program.

Subd. 13. RIGHT TO NOTICE AND HEARING. The local agency shall provide notice and opportunity for hearings for adverse actions under this section according to sections 256D.10 and 256D.101. A determination made under section 256D.051, subdivision 1, that a person is not eligible for general assistance is a denial of general assistance for purposes of notice, appeal, and hearing requirements. The local agency must notify the person that this determination will result in a limit on the number of months of assistance for which the person will be eligible.

Subd. 14. RULEMAKING. In consultation with local agencies, the commissioner may adopt permanent and emergency rules to implement this section. The rules must facilitate the employment and training of participants.

Sec. 61. Minnesota Statutes 1984, section 256D.09, subdivision 1, is amended to read:

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Subdivision 1. **PRESUMPTIVE ELIGIBILITY; VENDOR PAYMENTS.** Until the local agency has determined the initial eligibility of the applicant in accordance with the provisions of section 256D.07 or section 256D.051, grants for emergency general assistance shall and work readiness assistance must be in the form of vouchers or vendor payments unless the local agency determines that a cash grant will best resolve the applicant's need for emergency assistance. Thereafter, grants of general assistance shall must be paid in cash and shall be paid once per month on the first day of the month, except as allowed in this section.

Sec. 62. Minnesota Statutes 1984, section 256D.09, is amended by adding a subdivision to read:

Subd. 4. TEMPORARY SHELTER AND FOOD. The local agency may provide general assistance, emergency general assistance, or work readiness assistance in the form of vouchers or vendor payments to an applicant or recipient who does not have an address at which he or she resides. The local agency may provide separate vouchers or vendor payments for food, shelter, and other needs and may divide the monthly assistance standard into daily or weekly payments, whether in cash or by voucher or vendor payment, until the applicant or recipient has secured a permanent residence.

Sec. 63. [256D.101] **FAILURE TO COMPLY WITH WORK REQUIREMENTS; NOTICE.**

Subdivision 1. DISQUALIFICATION. If the local agency determines that a registrant has failed to comply with the requirements of section 256D.051, the local agency shall notify the registrant of the determination. The notification shall be in writing; shall state the facts that support the local agency's determination; shall specify the particular actions that must be taken by the registrant to achieve compliance; shall state that the recipient must take the specified actions by a date certain, which must be at least 15 days following the date the notification is mailed or delivered to the registrant; shall explain the ramifications of the registrant's failure to take the required actions by the specified date; and shall advise the registrant that the registrant may request and have a conference with the local agency to discuss the notification.

Subd. 2. NOTICE OF GRANT REDUCTION, SUSPENSION, OR TERMINATION. No notice of grant reduction, suspension, or termination on the ground that a registrant has failed to comply with section 256D.051 shall be given by the local agency until the notification required by subdivision 1 has been given, the time for compliance stated in the notification has lapsed, and the local agency has, subsequent to giving the notification, assessed the registrant's eligibility for general assistance under section 256D.05 and determined that the registrant is not eligible under that section. The determination that the registrant is not eligible shall be stated in the notice of grant reduction, suspension, or termination.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 64. Minnesota Statutes 1984, section 256D.111, subdivision 5, is amended to read:

Subd. 5. **RULEMAKING.** The commissioner shall adopt rules and is authorized to adopt emergency rules:

(a) providing for a reasonable period of the disqualification from the receipt of general assistance or work readiness assistance for a recipient who is not exempt pursuant to subdivision 2 and who has been finally determined pursuant to the procedure prescribed in subdivision 4 to have failed to comply with work requirements or the requirements of subdivision 1, provided that the period of disqualification for the first failure to comply shall not exceed one month, unless a recipient is disqualified as unavailable for work due to full-time student status as defined in section 256D.02, subdivision 15 the work readiness program;

(b) providing for the use of vouchers or vendor payments with respect to the family of a recipient described in clause (a) or section 256D.09, subdivision 4; and

(c) providing that at the time of the approval of an application for general assistance, the local agency gives to the recipient a written notice in plain and easily understood language describing the recipient's job registration, search, and acceptance obligations under this section, and the period of disqualification that will be imposed for a failure to comply with those obligations.

Sec. 65. Minnesota Statutes 1984, section 256D.37, subdivision 1, is amended to read:

Subdivision 1. (a) For all applicants for supplemental security income who did not receive aid pursuant to any categorical aid program referred to in section 256D.36 during December, 1973, and who make application individuals who apply to the appropriate local agency for supplemental aid, the local agency shall determine whether the individual meets the eligibility criteria prescribed in subdivision 2. For each individual who meets the relevant eligibility criteria prescribed in subdivision 2, the local agency shall certify to the commissioner the amount of supplemental aid to which the individual is entitled in accordance with all of the standards in effect December 31, 1973, for the appropriate categorical aid program.

(b) When a recipient is a resident of a state hospital or a dwelling with a negotiated rate, the recipient is not eligible for a shelter standard, a basic needs standard, or for special needs payments. The state standard of assistance for those recipients is the clothing and personal needs allowance for medical assistance recipients under section 256B.35. Minnesota supplemental aid may be paid to negotiated rate facilities at the rates in effect on March 1, 1985, for services provided under the supplemental aid program to residents of the facility, up to the maximum negotiated rate specified in this section. The rate for room and

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board or a licensed facility must not exceed \$800. The maximum negotiated rate does not apply to a facility that, on August 1, 1984, was licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, and licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0690. The following facilities are exempt from the limit on negotiated rates and must be reimbursed for documented actual costs, until June 30, 1987:

(1) a facility that only provides services to persons with mental retardation; and

(2) a facility not certified to participate in the medical assistance program that is licensed as a boarding care facility as of March 1, 1985, and only provides care to persons aged 65 or older. Beginning July 1, 1987, these facilities are subject to applicable supplemental aid limits, and mental retardation facilities must meet all applicable licensing and reimbursement requirements for programs for persons with mental retardation. The negotiated rates may be paid for persons who are placed by the local agency or who elect to reside in a room and board facility or a licensed facility for the purpose of receiving physical, mental health, or rehabilitative care, provided the local agency agrees that this care is needed by the person. When Minnesota supplemental aid is used to pay a negotiated rate, the rate payable to the facility must not exceed the rate paid by an individual not receiving Minnesota supplemental aid. To receive payment for a negotiated rate, the dwelling must comply with applicable laws and rules establishing standards necessary for health, safety, and licensure. The negotiated rate must be adjusted by the annual percentage change in the urban consumer price index (CPI-U) for Minneapolis-St. Paul as published by the Bureau of Labor Statistics between the previous two Octobers, new series index (1967-100). In computing the amount of supplemental aid under this section, the local agency shall deduct from the gross amount of the individual's determined needs all income, subject to the criteria for income disregards in effect December 31, 1973, for the appropriate categorical aid program, except that the earned income disregard for disabled persons who are not residents of long term care facilities shall be the same as the earned income disregard available to disabled persons in the supplemental security income program and all actual work expenses shall be deducted when determining the amount of income for the individual. From and after the first of the month in which an effective application is filed, the state and the county shall share responsibility for the payment of the supplemental aid to which the individual is entitled under this section as provided in section 256D.36.

Sec. 66. Minnesota Statutes 1984, section 256D.37, subdivision 2, is amended to read:

Subd. 2. The eligibility criteria resource standards for supplemental aid under this section shall be those in effect December 31, 1973 for the categorical aid programs of old age assistance, aid to the blind, and aid to the disabled,

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except that in determining eligibility for disabled individuals who are not residents of long term care facilities, all actual work expenses shall be disregarded and the earned income disregard shall be the same as the earned income disregard used to determine eligibility for disabled individuals in the supplemental security income program, and except that net equity of \$25,000 in one home used as a residence, one automobile the market value of which does not exceed \$1,650, and real estate not used as a home which produces net income applicable to the family's needs or which the family is making a continuing effort to sell at a fair and reasonable price, are to be disregarded in determining eligibility. The commissioner of human services shall annually adjust the limitation on net equity in real property used as a home by the same percentage as the homestead base value index provided in section 273.122, subdivision 2. The local agency shall apply the relevant criteria to each application. The local agency in its discretion may permit eligibility of an applicant having assets in excess of the amount prescribed in this section if liquidation of the assets would cause undue loss or hardship.

Sec. 67. Minnesota Statutes 1984, section 256E.08, subdivision 1, is amended to read:

Subdivision 1. **RESPONSIBILITIES.** The county board of each county shall be responsible for administration, planning and funding of community social services. Each county board shall singly or in combination with other county boards as provided in section 256E.09 prepare a social services plan and shall update the plan biennially. Upon final approval of the plan by the county board or boards, the plan shall be submitted to the commissioner. The county board shall distribute money available pursuant to sections 256E.06 and 256E.07 for community social services.

The authority and responsibilities of county boards for social services for groups of persons identified in section 256E.03, subdivision 2, shall include contracting for or directly providing: (1) an assessment of the needs of each person applying for services which estimates the nature and extent of the problem to be addressed and identifies the means available to meet the person's needs for services; (2) protection for safety, health or well-being by providing services directed at the goal of attaining the highest level of independent functioning appropriate to the individual preferably without removing those persons from their homes; (3) a means of facilitating access of physically handicapped or impaired persons to services appropriate to their needs.

A county board may delegate to a county welfare board established under chapter 393 authority to provide or approve contracts for the purchase of the kinds of community social services that were provided or contracted for by the county welfare boards before the enactment of Laws 1979, chapter 324. The county board must determine how citizens will participate in the planning

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process, give final approval to the community social services plan, and distribute community social services money.

Sec. 68. Minnesota Statutes 1984, section 256E.12, subdivision 3, is amended to read:

Subd. 3. The commissioner shall allocate grants under this section to finance up to 90 percent of each county's costs for services for chronically mentally ill persons. The commissioner shall promulgate emergency and permanent rules to govern grant applications, approval of applications, allocation of grants, and maintenance of financial statements by grant recipients. The commissioner shall require collection of data and periodic reports as the commissioner deems necessary to demonstrate the effectiveness of the services in helping chronically mentally ill persons remain and function in their own communities. The commissioner shall report to the legislature no later than January 15, 1983 on the effectiveness of the experimental program and his recommendations regarding making this program an integral part of the social development programs administered by counties. The experimental program shall expire no later than June 30, 1983 1987.

Sec. 69. **[256F.01] PUBLIC POLICY.**

It is the policy of this state that all children, regardless of minority racial or ethnic heritage, are entitled to live in families that offer a safe, permanent relationship with nurturing parents or caretakers and have the opportunity to establish lifetime relationships. To help assure this opportunity, public social services must be directed toward accomplishment of the following purposes:

(1) preventing the unnecessary separation of children from their families by identifying family problems, assisting families in resolving their problems, and preventing breakup of the family if the prevention of child removal is desirable and possible;

(2) restoring to their families children who have been removed, by continuing to provide services to the reunited child and the families;

(3) placing children in suitable adoptive homes, in cases where restoration to the biological family is not possible or appropriate; and

(4) assuring adequate care of children away from their homes, in cases where the child cannot be returned home or cannot be placed for adoption.

Sec. 70. **[256F.02] CITATION.**

Sections 69 to 75 may be cited as the "permanency planning grants to counties act."

Sec. 71. **[256F.03] DEFINITIONS.**

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subdivision 1. SCOPE. For purposes of sections 69 to 75, the terms defined in this section have the meanings given them, unless the context clearly indicates otherwise.

Subd. 2. COMMISSIONER. "Commissioner" means the commissioner of human services.

Subd. 3. COUNTY PLAN. "County plan" means the community social services plan required by section 256E.09.

Subd. 4. COUNTY BOARD. "County board" means the board of county commissioners in each county.

Subd. 5. FAMILY-BASED SERVICES. "Family-based services" means intensive family-centered services to families primarily in their own home and for a limited time.

Subd. 6. HUMAN SERVICES BOARD. "Human services board" means a board established under section 402.02, Laws 1974, chapter 293, or Laws 1976, chapter 340.

Subd. 7. PERMANENCY PLANNING. "Permanency planning" means the systematic process of carrying out, within a short time, a set of goal-oriented activities designed to help children live in families that offer continuity of relationships with nurturing parents or caretakers, and the opportunity to establish lifetime relationships.

Subd. 8. PLACEMENT PREVENTION AND FAMILY REUNIFICATION SERVICES. "Placement prevention and family reunification services" means a continuum of services designed to help children remain with their families or to facilitate reunification of children with their parents.

Subd. 9. RESIDENTIAL FACILITY. "Residential facility" means a residential facility as defined in section 257.071, subdivision 1.

Sec. 72. [256F.04] DUTIES OF COMMISSIONER OF HUMAN SERVICES.

Subdivision 1. GRANT PROGRAM. The commissioner shall establish a statewide permanency planning grant program to assist counties in providing placement prevention and family reunification services.

Subd. 2. FORMS AND INSTRUCTIONS. The commissioner shall provide necessary forms and instructions to the counties for their community social services plan, as required in section 256E.09, that incorporate the permanency plan format and information necessary to apply for a permanency planning grant. For calendar year 1986, the local social services agency shall submit an amendment to their approved biennial community social services plan using the forms and instructions provided by the commissioner. Beginning January 1,

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1986, the biennial community social services plan must include the permanency plan.

Subd. 3. MONITORING. The commissioner shall design and implement methods for monitoring the delivery and evaluating the effectiveness of placement prevention and family reunification services including family-based services within the state according to section 256E.05, subdivision 3, paragraph (e). An evaluation report describing program implementation, client outcomes, cost, and the effectiveness of those services in relation to measurable objectives and performance criteria to keep families unified and minimize the use of out-of-home placements for children must be prepared by the commissioner for the period from January 1, 1986 through June 30, 1988.

Sec. 73. [256F.05] DISTRIBUTION OF GRANTS.

Subdivision 1. MONEY AVAILABLE DUE TO TRANSFER; MINIMUM FUNDING LEVEL. A county must not receive less in state aids under the permanency planning grant program in calendar years 1986 and 1987 than the amount of reimbursement received under title IV-E foster care and children under state guardianship accounts in state fiscal year 1984. Beginning calendar year 1988, the reimbursement received under title IV-E foster care and children under state guardianship accounts must be distributed according to the formula in subdivision 3.

Subd. 2. ADDITIONAL MONEY. Additional money appropriated for family-based services, together with an amount as determined by the commissioner of title IV-B funds distributed to Minnesota according to the Social Security Act, United States Code, title 42, section 621, must be distributed to counties according to the formula in subdivision 3.

Subd. 3. FORMULA. The amount of money distributed to counties under subdivision 2 must be based on the following two factors:

(1) the population of the county under age 19 years as compared to the state as a whole as determined by the most recent data from the state demographer's office; and

(2) the county's percentage share of the number of minority children in substitute care as determined by the most recent department of human services annual report on children in foster care.

The amount of money allocated according to formula factor (1) must not be less than 90 percent of the total distributed under subdivision 2.

Subd. 4. PAYMENTS. The commissioner shall make grant payments to each county whose biennial community social services plan includes a permanency plan under section 53, subdivision 2. The payment must be made in four installments per year. The commissioner may certify the payments for the first

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three months of a calendar year. Subsequent payments must be made on April 1, July 1, and October 1, of each calendar year.

Subd. 5. INAPPROPRIATE EXPENDITURES. Permanency planning grant money must not be used for:

(1) child day care necessary solely because of the employment or training to prepare for employment, of a parent or other relative with whom the child is living;

(2) residential facility payments;

(3) adoption assistance payments;

(4) public assistance payments for aid to families with dependent children, supplemental aid, medical assistance, general assistance, general assistance medical care, or community health services authorized by sections 145.911 to 145.922; or

(5) administrative costs for local social services agency public assistance staff.

Subd. 6. TERMINATION OF GRANT. A grant may be reduced or terminated by the commissioner when the county agency has failed to comply with the terms of the grant or sections 69 to 75.

Subd. 7. TRANSFER OF FUNDS. Notwithstanding subdivision 1, the commissioner may transfer money from the appropriation for permanency planning grants to counties into the subsidized adoption account when a deficit in the subsidized adoption program occurs. The amount of the transfer must not exceed five percent of the appropriation for permanency planning grants to counties.

Sec. 74. [256F.06] DUTIES OF COUNTY BOARDS.

Subdivision 1. RESPONSIBILITIES. A county board may, alone or in combination with other county boards, apply for a permanency planning grant as provided in section 53, subdivision 2. Upon approval of the permanency planning grant, the county board may contract for or directly provide placement prevention and family reunification services.

Subd. 2. USES OF GRANTS. The grant must be used exclusively for placement prevention, family reunification services and training for family-based service and permanency planning. The grant may not be used as a match for other federal money or to meet the requirements of section 256E.06, subdivision 5.

Subd. 3. DESCRIPTION OF FAMILY-BASED SERVICE. When a county board elects to provide family-based service as a part of its permanency plan, its written description of family-based service must include the number of

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families to be served in each caseload, the provider of the service, the planned frequency of contacts with the families, and the maximum length of time family-based service will be provided to families.

Subd. 4. FINANCIAL STATEMENT BY COUNTIES. A county receiving a permanency planning grant shall submit to the commissioner an accounting of the county's expenditures of grant money. A quarterly statement must be submitted no later than 15 days after the end of the calendar quarter and must include:

(1) a detailed statement of expenses attributable to the grant during the preceding quarter; and

(2) a statement of the expenditure of money for placement prevention and family reunification services by the county during the preceding quarter, including the number of clients served and the expenditures, by client, for each service provided.

Sec. 75. [256F.07] PLACEMENT PREVENTION AND FAMILY REUNIFICATION SERVICES.

Subdivision 1. PREPLACEMENT REVIEW. Each county board shall establish a preplacement procedure to review each request for substitute care placement and determine if appropriate community resources have been utilized before making a substitute care placement.

Subd. 2. PROCEDURE FOR PLACEMENT. When the preplacement review has determined that a substitute care placement is required because the child is in imminent risk of abuse or neglect; or requires treatment of an emotional disorder, chemical dependency, or mental retardation; the agency shall determine the level of care most appropriate to meet the child's needs in the least restrictive setting and in closest proximity to the child's family; and estimate the length of time of the placement, project a placement goal, and provide a statement of the anticipated outcome of the placement.

Subd. 3. TYPES OF SERVICES. Placement prevention and family reunification services include:

- (1) family-based service;
- (2) individual and family counseling;
- (3) crisis intervention and crisis counseling;
- (4) day care;
- (5) 24-hour emergency caretaker and homemaker services;
- (6) emergency shelter care up to 30 days in 12 months;
- (7) access to emergency financial assistance;

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(8) arrangements to provide temporary respite care to the family for up to 72 hours consecutively or 30 days in 12 months; and

(9) transportation services to the child and parents in order to prevent placement or accomplish reunification of the family.

Subd. 4. RIGHTS OF THE CHILD AND FAMILY. The child and the family may refuse placement prevention and family reunification services or appeal the denial of the services.

Sec. 76. Minnesota Statutes 1984, section 260.311, subdivision 5, is amended to read:

Subd. 5. **REIMBURSEMENT OF COUNTIES.** In order to reimburse the counties for the cost which they assume under Laws 1959, Chapter 698, of providing probation and parole services to wards of the commissioner of corrections and to aid the counties in achieving the purposes of this section, the commissioner shall annually, from funds appropriated for that purpose, pay 50 percent of the costs of probation officers' salaries to all counties of not more than 200,000 population. Nothing herein shall be deemed to invalidate any payments to counties made pursuant to this section before the effective date of Laws 1963, Chapter 694. Salary costs include fringe benefits, but only to the extent that fringe benefits do not exceed those provided for state civil service employees. On or before July 1 of each even numbered year each county or group of counties shall submit to the commissioner of corrections an estimate of its costs under this section. Reimbursement shall be made on the basis of the estimate or actual expenditures incurred, whichever is less. Salary costs shall not be reimbursed unless county probation officers are paid salaries commensurate with the salaries paid to comparable positions in the classified service of the state civil service. The salary range to which each county probation officer is assigned shall be determined by the authority having power to appoint probation officers, and shall be based on the officer's length of service and performance. The appointing authority shall annually assign each county probation officer to a position on the salary scale commensurate with the officer's experience, tenure, and responsibilities. The judge shall file with the county auditor an order setting each county probation officer's salary. Time spent by a county probation officer as a court referee shall not qualify for reimbursement. Reimbursement shall be prorated if the appropriation is insufficient. A new position eligible for reimbursement under this section may not be added by a county without the written approval of the commissioner of corrections. When a new position is approved, the commissioner shall include the cost of the position in calculating each county's share.

Sec. 77. Minnesota Statutes 1984, section 260.38, is amended to read:
260.38 **COST, PAYMENT.**

In addition to the usual care and services given by public and private agencies, the necessary cost incurred by the commissioner of human services in

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providing care for such child shall be paid by the county committing such child which, subject to uniform regulations established by the commissioner of human services, may receive a reimbursement not exceeding one-half of such costs from funds made available for this purpose by the legislature during the period beginning July 1, 1985, and ending December 31, 1985. Beginning January 1, 1986, the necessary cost incurred by the commissioner of human services in providing care for the child must be paid by the county committing the child. Where such child is eligible to receive a grant of aid to families with dependent children or supplemental security income for the aged, blind, and disabled, or a foster care maintenance payment under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676, his needs shall be met through these programs.

Sec. 78. Minnesota Statutes 1984, section 268.672, subdivision 6, is amended to read:

Subd. 6. **ELIGIBLE JOB APPLICANT.** "Eligible job applicant" means a person who: (1) has been a resident of this state for at least one month, (2) is unemployed, (3) is not receiving and is not qualified to receive unemployment compensation or workers' compensation, and (4) is determined by the employment administrator to be likely to be available for employment by an eligible employer for the duration of the job.

In addition, A farmer who resides in a county qualified under Federal Disaster Relief and or any member of a farm family household who can demonstrate severe household financial need may shall be considered unemployed under this subdivision.

Sec. 79. Minnesota Statutes 1984, section 268.672, subdivision 11, is amended to read:

Subd. 11. **PROGRAM.** "Program" means the Minnesota ~~emergency~~ employment and economic development program created by sections 268.671 to 268.686 consisting of temporary work relief projects in the government and nonprofit agencies and new permanent job creation in the private sector.

Sec. 80. Minnesota Statutes 1984, section 268.673, subdivision 2, is amended to read:

Subd. 2. **RESPONSIBILITIES.** The coordinator shall:

(a) Obtain an inventory of community needs from each local governmental subdivision and compile a statewide inventory of needs within 30 days after his appointment;

(b) Enter into a contract with one or more employment administrators in each service delivery area;

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(c) Review the emergency employment and economic development plan submitted by the employment administrator of each service delivery area and approve satisfactory plans. If an employment administrator submits an unsatisfactory plan, the coordinator shall assist the employment administrator in developing a satisfactory one;

(d) Coordinate the program with other state agencies;

(e) Coordinate administration of the program with the general assistance program and aid to families with dependent children programs and make maximum use of grant diversions from those programs;

(f) Set policy regarding disbursement of program funds; and

(g) Perform general program marketing and monitoring functions.

Sec. 81. Minnesota Statutes 1984, section 268.674, subdivision 1, is amended to read:

Subdivision 1. **CREATION.** There is created a Minnesota emergency employment and economic development task force to advise the coordinator in the administration of sections 268.671 to 268.686.

Sec. 82. Minnesota Statutes 1984, section 268.675, is amended to read:

268.675 ALLOCATION OF FUNDS AMONG SERVICE DELIVERY AREAS.

Subdivision 1. **SERVICE DELIVERY AREA PORTION.** Eighty (a) Seventy percent of the funds available for allocation to employment administrators for the program must be allocated among service delivery areas as follows: (1) each service delivery area shall be eligible to receive that proportion of the funds available which equals the number of unemployed persons in the service delivery area divided by the total number of unemployed persons in the state for the 12-month period ending the most recent March 31; (2) however, 15 percent of the amount which would be allocated under paragraph (1) to each service delivery area in which the unemployment rate, for the 12-month period ending the most recent March 31, is less than the statewide unemployment rate on that date shall not be allocated according to paragraph (1). This amount shall be pooled and distributed at the discretion of the coordinator only to employment administrators in these service delivery areas with lower than average unemployment rates who have demonstrated outstanding performance from May 1, 1984, to August 1, 1984, in placement of persons applicants whose income and resources are less than the standard of assistance established under section 256D.05, subdivision 1, or who would otherwise be eligible to receive general assistance aid to families with dependent children, as shown by:

(i) the proportion of general assistance-eligible the applicants who have been placed in permanent private sector jobs under the program, relative to the

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total number of ~~general assistance-eligible~~ the applicants placed under the program; or

(ii) the proportion of ~~general assistance-eligible~~ the applicants placed in all jobs under the program, relative to total job placements under the program.

(b) ~~Ten~~ Five percent of the funds available for allocation to employment administrators under the program must be allocated at the discretion of the coordinator to employment administrators:

(1) who will maximize the use of the funds through coordination with other programs and state, local, and federal agencies, through the use of matching funds or through the involvement of low-income constituent groups;

(2) who have demonstrated need beyond the allocation available under clause (1);

(3) who have demonstrated outstanding performance in job creation; or

(4) who have demonstrated that the unemployed persons in the service delivery area incur unusual costs related to employment under sections 268.671 to 268.686.

(c) Five percent of the funds available to employment administrators under the program must be allocated for necessary costs of relocation.

Subd. 2. **HIGH UNEMPLOYMENT REGIONS.** ~~Ten~~ (a) Twenty percent of the funds available for allocation to employment administrators under the program must be allocated by the coordinator to employment administrators for use in regions that have unemployment rates for the 12-month period ending the most recent March 31 which meet or exceed 140 percent of the statewide unemployment rate. Funds must be allocated to regions in proportion to the number of unemployed persons within the region distressed counties. A county is distressed if it has an average unemployment rate of ten percent or more for the one-year period ending on April 30 of the year in which the designation is made.

(b) The commissioner shall designate a contiguous portion of a county containing a city of the first class located outside of the metropolitan area as a distressed county if:

(1) that portion of the county has an unemployment rate of ten percent or more for the one-year period ending on April 30 of the year in which the designation is made; and

(2) that portion of the county has a population of at least 50,000 as determined by the 1980 federal census.

Sec. 83. Minnesota Statutes 1984, section 268.676, subdivision 1, is amended to read:

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Subdivision 1. **AMONG JOB APPLICANTS.** Allocation of funds among eligible job applicants within a service delivery area shall be determined by the employment administrator in each service delivery area. The employment administrator shall give priority to:

- (1) applicants living in households with no other income source; ~~and~~
- (2) ~~applicants who would otherwise be eligible to receive general assistance whose income and resources are less than the standard of assistance established under section 256D.05, subdivision 1;~~
- (3) applicants who are eligible to receive aid to families with dependent children; and
- (4) applicants living in farm households who can demonstrate severe household financial need.

In service delivery areas where the unemployment rate for the 12-month period ending the most recent March 31 is below the statewide unemployment rate at that time, ~~the employment administrator shall give higher priority to only those applicants described in clause(2) than to those described in clause (1) clauses (1) to (4), and who otherwise satisfy the definition of an "eligible job applicant" in section 268.672, subdivision 6, are eligible for a job or job training program under section 268.677.~~

Sec. 84. Minnesota Statutes 1984, section 268.676, subdivision 2, is amended to read:

Subd. 2. **AMONG EMPLOYERS.** Allocation of funds among eligible employers within a service area shall be determined by the employment administrator within each service delivery area according to the priorities in sections 268.68 and 268.681. The employment administrator shall give priority to funding permanent private sector jobs to the extent that eligible businesses apply for funds. If possible, no more than 40 25 percent of the funds may be allocated for temporary nonprofit jobs with eligible government and nonprofit agencies during the biennium.

Sec. 85. Minnesota Statutes 1984, section 268.677, is amended to read:
268.677 USE OF FUNDS.

Funds appropriated for the purposes of sections 268.671 to 268.686 may be used as follows:

(a) To provide a state contribution for wages and fringe benefits for eligible job applicants for a maximum of 1,040 hours over a maximum period of 26 weeks per job applicant. For eligible job applicants participating in a job training program, the state contribution for wages may be used for a maximum period of 52 weeks per job applicant. The state contribution for wages shall be up to \$4 per hour for each eligible job applicant employed. The state contribu-

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tion for fringe benefits may be up to \$1 per hour for each eligible job applicant employed. However, the employer may use funds from other sources to provide increased wages to the applicants it employs. At least 75 percent of the funds appropriated for the program must be used to pay wages for eligible job applicants;

(b) Notwithstanding the limitations of paragraph (a), funds may be used to provide a state contribution for wages and fringe benefits in permanent private sector jobs for eligible job applicants who had previously held temporary nonprofit jobs with eligible government and nonprofit agencies for which a state contribution had been made, and who:

(1) are priority job applicants provided by section 268.676, subdivision 1; and

(2) have been unemployed for a period of one year.

The use of funds under this paragraph shall be for a maximum of 1,040 hours over a maximum period of 26 weeks per job applicant.

~~(b)~~ (c) To reimburse the commissioner of economic security in an amount not to exceed one percent of the funds appropriated for the actual cost of administering sections 268.671 to 268.686, and to reimburse the employment administrators in an amount not to exceed 4-1/2 five percent of the funds appropriated for their actual cost of administering sections 268.671 to 268.686. The commissioner of economic security and the employment administrators shall reallocate funds from other sources to cover the administrative costs of this program whenever possible;

~~(e)~~ (d) To provide child care services or subsidies to applicants employed under sections 268.671 to 268.686;

~~(d)~~ (e) To provide workers' compensation coverage to applicants employed in temporary nonprofit jobs by government or nonprofit agencies under sections 268.671 to 268.686;

~~(e)~~ (f) To provide job search assistance, labor market orientation, job seeking skills, and referral for other services;

~~(f)~~ (g) To purchase supplies and materials for projects creating permanent improvements to public property in an amount not to exceed one percent of the funds appropriated.

The employment administrator of each service delivery area shall submit to the coordinator a spending plan establishing that funds allocated to the service delivery area will be used in the manner required by sections 268.671 to 268.686. Any funds allocated to the service delivery area for which there is no spending plan approved by the coordinator shall cancel back to the Minnesota ~~emergency~~

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employment and economic development account and may be reallocated by the coordinator to other employment administrators.

Sec. 86. Minnesota Statutes 1984, section 268.678, subdivision 2, is amended to read:

Subd. 2. **EMPLOYMENT AND ECONOMIC DEVELOPMENT PLAN.** Each employment administrator shall develop an emergency employment and economic development plan for his service delivery area under guidelines developed by the coordinator and submit it to the coordinator within the period allowed by the coordinator. To the extent feasible, the employment administrator shall seek input from potential eligible employers and the public.

Sec. 87. Minnesota Statutes 1984, section 268.679, subdivision 1, is amended to read:

Subdivision 1. **ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY.** The energy and economic development authority shall publicize the Minnesota emergency employment and economic development program and shall provide staff assistance as requested by employment administrators in the screening of businesses and the collection of data to the extent feasible under its existing budget and staff complement.

Sec. 88. Minnesota Statutes 1984, section 268.68, is amended to read:

268.68 **ELIGIBLE GOVERNMENT AND NONPROFIT AGENCY EMPLOYMENT.**

A government or nonprofit agency is an eligible employer with respect to temporary work relief projects that are determined by the employment administrator to have long-term benefit to or are needed by the community including, but not limited to, jobs in permanent public improvement projects, residential or public building weatherization projects, reforestation projects, mineland reclamation projects, planting or tree trimming projects, soil conservation projects, natural resource development projects, and community social service programs such as child care and home health care. Employment administrators to the greatest extent practicable shall place only those applicants deemed hard to employ by the administrator in temporary nonprofit jobs.

Sec. 89. Minnesota Statutes 1984, section 268.685, is amended to read:

268.685 **TERMINATION; NOTIFICATION.**

The commissioner of economic security shall immediately terminate the Minnesota emergency employment development program if and when none of the money appropriated under Laws 1983, chapter 312, article 1, section 3 or under this act for the program remains. The commissioner of economic security shall immediately notify the commissioner of human services of the program's termination. ~~The commissioner of human services shall immediately notify each local~~

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agency referring recipients under section 256D.112 of the program's termination and require the local agency to cease transferring recipients. On the date the program is terminated, any balance remaining in the Minnesota emergency employment development account established under section 268.681, subdivision 4 shall cancel, cancels to the general fund. Any Payments received under section 268.681, subdivisions 3 and 4, on or after that date shall must be deposited in the general fund.

Sec. 90. Minnesota Statutes 1984, section 390.11, is amended by adding a subdivision to read:

Subd. 11. AUTOPSY FEES. The coroner may charge a reasonable fee to a person requesting an autopsy if the autopsy would not otherwise be conducted under subdivisions 1, 2, or 3.

Sec. 91. Minnesota Statutes 1984, section 390.11, is amended by adding a subdivision to read:

Subd. 12. AUTHORIZED REMOVAL OF THE BRAIN. If the coroner is informed by a physician or pathologist that a dead person is suspected of having had Alzheimer's disease, the coroner shall authorize the removal of the brain of the dead person for the purposes of sections 14 and 15.

Sec. 92. Minnesota Statutes 1984, section 393.07, subdivision 2, is amended to read:

Subd. 2. ADMINISTRATION OF PUBLIC WELFARE. The county welfare board, subject to the supervision of the commissioner of human services, shall administer all forms of public welfare, both for children and adults, responsibility for which now or hereafter may be imposed on the commissioner of human services by law, including general assistance, aid to dependent children, county supplementation, if any, or state aid to recipients of supplemental security income for aged, blind and disabled, child welfare services, mental health services, and other public assistance or public welfare services, provided that the county welfare board shall not employ public health nursing or home health service personnel other than homemaker-home help aides, but shall contract for or purchase the necessary services from existing community agencies. The duties of the county welfare board shall be performed in accordance with the standards, rules and regulations which may be promulgated by the commissioner of human services to achieve the purposes intended by law and in order to comply with the requirements of the federal social security act in respect to public assistance and child welfare services, so that the state may qualify for grants-in-aid available under that act. The county welfare board shall supervise wards of the commissioner and, when so designated, act as agent of the commissioner of human services in the placement of his wards in adoptive homes or in other foster care facilities. The county welfare board may contract with a bank or other financial institution to provide services associated with the processing of public assistance

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checks and pay a service fee for these services, provided the fee charged does not exceed the fee charged to other customers of the institution for similar services.

Sec. 93. Minnesota Statutes 1984, section 401.01, subdivision 1, is amended to read:

Subdivision 1. For the purpose of more effectively protecting society and to promote efficiency and economy in the delivery of correctional services, the commissioner is hereby authorized to make grants to assist counties in the development, implementation, and operation of community based corrections programs including, but not limited to preventive or diversionary correctional programs, probation, parole, community corrections centers, and facilities for the detention or confinement, care and treatment of persons convicted of crime or adjudicated delinquent. The commissioner may authorize the use of a percentage of a grant for the operation of an emergency shelter or make a separate grant for the rehabilitation of a facility owned by the grantee and used as a shelter to bring the facility into compliance with state and local laws pertaining to health, fire, and safety, and to provide security.

Sec. 94. Minnesota Statutes 1984, section 401.13, is amended to read:

401.13 CHARGES MADE TO COUNTIES.

Each participating county will be charged a sum equal to the per diem cost of confinement of those juveniles committed to the commissioner after August 1, 1973, and confined in a state correctional facility. Provided, however, that the amount charged a participating county for the costs of confinement shall not exceed the amount of subsidy to which the county is eligible, and provided further that the counties of commitment shall also pay the per diem herein provided for all persons convicted of a felony for which the penalty provided by law does not exceed five years and confined in a state correctional facility prior to January 1, 1981. A county or group of counties participating in the community corrections act may not be charged for any per diem cost of confinement for adults sentenced to the commissioner of corrections for crimes committed on or after January 1, 1981. The commissioner shall annually determine costs and deduct them from the subsidy due and payable to the respective participating counties, making necessary adjustments to reflect the actual costs of confinement. However, in no case shall the percentage increase in the amount charged to the counties exceed the percentage by which the appropriation for the purposes of sections 401.01 to 401.16 was increased over the preceding biennium. All charges shall be a charge upon the county of commitment.

Sec. 95. Minnesota Statutes 1984, section 517.08, subdivision 1b, is amended to read:

Subd. 1b. **TERM OF LICENSE; FEE.** The clerk shall examine upon oath the party applying for a license relative to the legality of the contemplated marriage. If at the expiration of a five-day period, he is satisfied that there is no

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legal impediment to it, he shall issue the license, containing the full names of the parties before and after marriage, and county and state of residence, with the district court seal attached, and make a record of the date of issuance. The license shall be valid for a period of six months. In case of emergency or extraordinary circumstances, a judge of the county court or a judge of the district court of the county in which the application is made, may authorize the license to be issued at any time before the expiration of the five days. The clerk shall collect from the applicant a fee of \$40 ~~\$45~~ for administering the oath, issuing, recording, and filing all papers required, and preparing and transmitting to the state registrar of vital statistics the reports of marriage required by this section. If the license should not be used within the period of six months due to illness or other extenuating circumstances, it may be surrendered to the clerk for cancellation, and in that case a new license shall issue upon request of the parties of the original license without fee. A clerk who knowingly issues or signs a marriage license in any manner other than as provided in this section shall pay to the parties aggrieved an amount not to exceed \$1,000.

Sec. 96. Minnesota Statutes 1984, section 517.08, subdivision 1c, is amended to read:

Subd. 1c. **DISPOSITION OF LICENSE FEE.** Of the marriage license fee collected pursuant to subdivision 1b, the clerk shall pay \$25 ~~\$30~~ to the state treasurer to be deposited in the special revenue fund to be used as follows: ~~\$15~~ \$6.75 is appropriated to the commissioner of corrections for the purposes of funding grant programs for emergency shelter services and support services to battered women under sections 611A.31 to 611A.36, and \$23.25 is appropriated to the commissioner of economic security for administering displaced homemaker programs established by July 1, 1983, under section 4.40; and \$10 is appropriated to the commissioner of economic security for the purpose of funding displaced homemaker programs established after July 1, 1983, under section 4.40 in areas of the state where those programs previously did not exist or adjunct programs that extend access to current programs in northeastern Minnesota, on a matching basis with local funds providing 20 percent of the costs and state funds providing 80 percent. Of the \$15 for the purposes of funding grant programs for emergency shelter services and support services to battered women under sections 611A.31 to 611A.36 and for administering displaced homemaker programs established by July 1, 1983, under section 4.40, \$6.75 is appropriated to the commissioner of corrections and \$8.25 is appropriated to the commissioner of economic security. The commissioner of economic security may transfer money to and from the appropriation designated in this subdivision for the administration of displaced homemaker programs established by July 1, 1983, and the appropriation designated for programs established after July 1, 1983, if necessary to continue the administration of programs established by July 1, 1983, while developing and administering programs established after that date as required in this subdivision. The commissioner of economic security may use money

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appropriated in this subdivision for the administration of a displaced homemaker program regardless of the date on which the program was established.

Sec. 97. Minnesota Statutes 1984, section 611A.34, subdivision 1, is amended to read:

Subdivision 1. **CREATION.** Within 60 days after the effective date of sections 611A.31 to 611A.36, the commissioner shall appoint a nine member advisory council to advise him on the implementation of sections 611A.31 to 611A.36. The provisions of section 15.059 shall govern the terms, and removal of members, and ~~expiration~~ of the advisory council. Notwithstanding section 15.059, the council shall not expire. Council members shall not receive per diem, but shall receive expenses in the same manner and amount as state employees.

Sec. 98. Minnesota Statutes 1984, section 624.713, subdivision 1, is amended to read:

Subdivision 1. **INELIGIBLE PERSONS.** The following persons shall not be entitled to possess a pistol:

(a) A person under the age of 18 years except that a person under 18 may carry or possess a pistol (i) in the actual presence or under the direct supervision of his parent or guardian, (ii) for the purpose of military drill under the auspices of a legally recognized military organization and under competent supervision, (iii) for the purpose of instruction, competition, or target practice on a firing range approved by the chief of police or county sheriff in whose jurisdiction the range is located and under direct supervision; or (iv) if the person has successfully completed a course designed to teach marksmanship and safety with a pistol and approved by the commissioner of natural resources;

(b) A person who has been convicted in this state or elsewhere of a crime of violence unless ten years have elapsed since the person has been restored his civil rights or the sentence has expired, whichever occurs first, and during that time he has not been convicted of any other crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions which would have been crimes of violence as herein defined if they had been committed in this state;

(c) A person who is or has ever been confined or committed in Minnesota or elsewhere as a "mentally ill," "mentally retarded," or "mentally ill and dangerous to the public" person as defined in section 253B.02, to a treatment facility, unless he possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof that he is no longer suffering from this disability;

(d) A person who has been convicted in Minnesota or elsewhere for the unlawful use, possession, or sale of a controlled substance other than conviction for possession of a small amount of marijuana, as defined in section 152.01,

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subdivision 16, or a person who is or has ever been hospitalized or committed for treatment for the habitual use of a controlled substance or marijuana, as defined in sections 152.01 and 152.02, unless he possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that he has not abused a controlled substance or marijuana during the previous two years;

(e) A person who has been confined or committed to a treatment facility in Minnesota or elsewhere as "chemically dependent" as defined in section 253B.02, ~~or for alcoholic problems, unless he possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that he has not abused alcohol during the previous two years or she has completed treatment.~~ Property rights may not be abated but access may be restricted by the courts; or

(f) A peace officer who is informally admitted to a treatment facility pursuant to section 253B.04 for chemical dependency, unless he possesses a certificate from the head of the treatment facility that he has been discharged or provisionally discharged from the treatment facility. Property rights may not be abated but access may be restricted by the courts.

A person who issues a certificate pursuant to this subdivision in good faith ~~shall is not be liable for damages in an action arising out of the issuance resulting or arising from the actions or misconduct with a firearm committed by the individual who is the subject of the certificate.~~

Sec. 99. Laws 1984, chapter 616, section 1, is amended to read:

Section 1. **DEMONSTRATION PROJECT FOR TREATMENT OF COMPULSIVE GAMBLERS.**

Subdivision 1. **AUTHORIZATION.** The commissioner of ~~public welfare~~ human services is authorized to establish a pilot demonstration project to be completed no later than June 30, ~~1985~~ 1987, for the treatment of compulsive gamblers. For purposes of this act, a "compulsive gambler" means a person who is chronically and progressively preoccupied with gambling and the urge to gamble, and with gambling behavior that compromises, disrupts, or damages personal, family, or vocational pursuits.

Subd. 2. **SERVICES.** The services provided ~~shall~~ may include outpatient services, consultation and educational services, and other forms of preventive treatment, or rehabilitation services for compulsive gamblers. The commissioner may enter into agreements with county agencies or other organizations and may employ consultants as necessary to assist in providing these services or in training individuals to qualify them to provide these services.

Subd. 3. **REPORT.** The commissioner shall report to the legislature during the ~~1985~~ 1986 session on the progress of the demonstration project. The

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commissioner shall deliver a final report to the legislature by January 15, 1986 1987. The report shall consider, among other things, the following issues:

- (1) the nature of compulsive gambling and current practices in diagnosing and treating it;
- (2) the extent of compulsive gambling in this state and the effect of current and proposed forms of legalized gambling on the incidence of compulsive gambling;
- (3) existing programs in this state to deal with compulsive gambling;
- (4) proposals for additional efforts to deal with compulsive gambling by both public and private agencies;
- (5) coverage of compulsive gambling under existing health insurance policies and proposals to change that coverage;
- (6) recommendations for a coordinated program of public and private action to deal with compulsive gambling by means of both treatment and public information, with recommended funding levels and implementation strategy; and
- (7) the estimated annual cost of establishing compulsive gambling treatment programs.

Sec. 100. REIMBURSEMENT STUDY; REPORTS.

Subdivision 1. The commissioner of human services shall study mechanisms for reimbursement of providers of services for mentally retarded people in intermediate care facilities, developmental achievement centers and waived services under section 256B.501. The mechanisms studied must base reimbursement on the developmental progress of people receiving those services and the individual needs and resource use of the people served by the provider, with incentives designed to encourage quality care. The commissioner shall report to the legislative long-term care commission no later than July 1, 1986, with recommendations on the implementation of a new reimbursement system.

Subd. 2. The commissioner of economic security shall report to the commission no later than March 1, 1986, on the proposed rules to evaluate sheltered workshops.

Sec. 101. FEASIBILITY STUDY OF HOME EQUITY CONVERSION FOR LONG-TERM HEALTH CARE.

Subdivision 1. FEASIBILITY STUDY. The commissioner of human services, with the assistance of the commissioner of commerce, shall contract with the director of the housing finance agency to study and report to the legislature concerning the feasibility of a home equity conversion program to finance long-term health care insurance. The study must examine and provide recommendations concerning:

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- (1) methods of encouraging participation, including public subsidy mechanisms;
- (2) the characteristics of target populations;
- (3) federal and state legislative and regulatory barriers;
- (4) the role of the medical assistance program, insurance carriers and other forms of health care coverage, lending institutions, employers, investors, consumer organizations, and other programs and interests;
- (5) estimates of demand and participation;
- (6) estimates of cost;
- (7) methods of addressing adverse selection; and
- (8) other considerations affecting the desirability and feasibility of home equity conversion to finance long-term health care and long-term health care insurance.

Subd. 2. **REPORT.** By February 15, 1986, the director of the housing finance agency shall report to the legislature on the study required under subdivision 1. In addition to the information required under subdivision 1, the report must include recommendations concerning the value of a project to demonstrate the use of home equity conversion to finance long-term health care and long-term health care insurance. If the report recommends establishing a demonstration project, the report must include recommendations for designing, implementing, and funding the project.

Sec. 102. **PUBLIC GUARDIANSHIP STUDY.**

Subdivision 1. TASK FORCE. The commissioner of human services shall establish a task force to study public guardianship under Minnesota Statutes, chapter 252A. The task force shall consist of representatives from counties, the legislature, state agencies and councils, attorneys, and other groups that act as advocates for mentally retarded, chemically dependent, mentally ill, and elderly persons.

Subd. 2. FOCUS OF STUDY. The task force shall collect information on at least the following items:

- (1) the number of people under public guardianship and their place of residence;
- (2) the amount of staff resources available to perform the role of state guardian;
- (3) the duties of the county case manager as the commissioner's designee;
and

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(4) the types of disabilities of people who are under public guardianship.

The task force shall make recommendations for changes in the public guardianship system. In developing the recommendations, the task force shall consider at least the following factors:

(1) the extent that persons who are in need of some form of guardianship are not receiving protective services;

(2) the feasibility and economic impact of extending public guardianship to persons with other disabilities;

(3) the success of models used in other states to provide protective services;

(4) methods to improve the accountability for and increase visits to persons under public guardianship;

(5) differences between public and private guardianship systems; and

(6) the feasibility of alternatives to the present public guardianship system.

Subd. 3. REPORT. The commissioner shall submit a report to the appropriate standing committees of the legislature by January 1, 1986, containing the findings and recommendations of the task force and proposals for legislative action.

Sec. 103. INSTRUCTION TO REVISOR.

The revisor of statutes is directed to change the references to "Minnesota emergency employment development (MEED)" wherever they appear in Minnesota Statutes to "Minnesota employment and economic development (MEED)" in Minnesota Statutes 1985 Supplement and subsequent editions of the statutes.

Sec. 104. REPEALER.

Minnesota Statutes 1984, sections 62D.25; 62D.26; 62D.28; 62D.29; 62E.17; 145.912, subdivisions 16, 17, and 18; and 268.686, are repealed.

Minnesota Statutes 1984, section 256D.111, subdivisions 1, 2, 3, and 4, are repealed effective August 1, 1985.

Minnesota Statutes 1984, section 256.967, is repealed effective November 1, 1985.

Minnesota Statutes 1984, section 259.405, is repealed effective December 31, 1985.

Section 22 is repealed effective January 2, 1986.

Sec. 105. EFFECTIVE DATE.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sections 5, 9, and 10 are effective August 1, 1985. Section 6 is effective retroactively to October 1, 1984. Section 22 is effective without local approval the day following final enactment. Sections 39, 47 to 51, and 54 are effective the day following final enactment. Section 55 is effective July 1, 1986, except that paragraph (b) is effective July 1, 1985. Sections 59, 60, 61, 62, 63, and 64, are effective August 1, 1985. Sections 65 and 66 are effective January 1, 1986. Sections 78 to 88 are effective if no other law is enacted during the 1985 special session that amends these sections.

Approved June 27, 1985

CHAPTER 10 — S.F.No. 24

An act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; modifying agencies and responsibilities; providing for regulation of certain activities and practices; requiring studies, reports, plans, and fiscal notes; prescribing and providing for certain funds, accounts, bonding, taxes, fares, and fees; amending Minnesota Statutes 1984, sections 12.14; 14.131; 15.0591, subdivision 2; 15A.081, subdivisions 1 and 7; 17.717, by adding a subdivision; 17A.10, subdivision 2; 17A.11, as amended; 25.39, subdivision 4; 40.03, subdivision 1; 43A.18, subdivision 5; 60A.02, subdivision 7; 60A.10; 60A.131, subdivision 1; 60A.17, subdivision 1a; 60A.1701, subdivisions 5 and 10; 60C.08, subdivision 1; 61B.05, subdivision 1; 62A.141; 62A.146; 62A.17, subdivision 6; 62B.05; 62D.19; 62E.10, subdivision 2; 62E.12; 62E.16; 65B.03; 65B.43, by adding a subdivision; 65B.44, subdivision 4; 65B.48, subdivision 3a; 65B.49, by adding a subdivision; 65B.63, subdivision 1; 67A.25, subdivision 1; 72A.20, by adding a subdivision; 79.252, subdivision 4; 79.62; 138.94; 168.012, subdivision 1; 168.12, subdivisions 1 and 5; 174.32, subdivisions 1, 2, 3, and by adding a subdivision; 240.04, subdivision 4; 240.24, as amended; 297A.25, subdivision 1; 299A.01, subdivision 6; 352D.02, subdivision 1; 360.018, subdivision 6; 360.024; 453.51; 453.54, subdivision 15; 453.58, by adding a subdivision; 473.373, subdivisions 4 and 6; 473.375, subdivision 4, and by adding a subdivision; 473.38, subdivision 2; 473.384, subdivision 7; 473.386, subdivision 2; 473.39, subdivisions 1, 2, and by adding a subdivision; 473.404, subdivision 7; 473.405, subdivision 12; 473.408, subdivision 4, and by adding a subdivision; 473.435, subdivision 2; 473.436, subdivision 6; 473.446, subdivisions 1, 1a, 2a, and 3; 500.24, subdivision 3; 626.861, by adding a subdivision; and 626.88, subdivision 3; Laws 1985, chapter 168, section 14; chapter 290, section 14; and chapter 309, section 14; proposing coding for new law in Minnesota Statutes, chapters 3; 17; 61A; 219; 240; and 473; repealing Minnesota Statutes 1984, sections 17.717, subdivision 6; 60A.15, subdivision 14; 62A.025; 65B.49, subdivision 4, as amended; 473.373, subdivisions 2 and 7; 473.408, subdivisions 3, 3a, 3b, and 5; 473.436, subdivisions 1, 4, and 5; 473.438; 473.39, subdivision 3; 473.446, subdivision 6; and Laws 1985, chapter 241, section 2.

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

Section 1. **TRANSPORTATION AND OTHER AGENCIES; APPROPRIATIONS.** The sums shown in the columns marked "APPROPRIA-

Changes or additions are indicated by underline, deletions by ~~strikeout~~.