CHAPTER 340—H.F.No. 3122

An act relating to human services; modifying provisions in health care programs; requiring a study of group residential housing; clarifying medical assistance coverage for employed persons with disabilities; amending Minnesota Statutes 1998, sections 62Q.19, subdivisions 2 and 6; and 256B.69, subdivision 23; Minnesota Statutes 1999 Supplement, sections 256B.057, subdivision 9; 256B.0945, subdivisions 1, 2, 4, 5, 6, 7, 8, and 9; 256B.69, subdivision 6b; 256D.03, subdivision 3; and 256L.03, subdivision 5; Laws 1999, chapter 245, article 8, section 84; repealing Laws 1998, chapter 407, article 5, section 44.

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

Section 1. Minnesota Statutes 1998, section 62Q.19, subdivision 2, is amended to read:

Subd. 2. **APPLICATION.** (a) Any provider may apply to the commissioner for designation as an essential community provider by submitting an application form developed by the commissioner. Except as provided in paragraph (d), applications must be accepted within two years after the effective date of the rules adopted by the commissioner to implement this section.

(b) Each application submitted must be accompanied by an application fee in an amount determined by the commissioner. The fee shall be no more than what is needed to cover the administrative costs of processing the application.

(c) The name, address, contact person, and the date by which the commissioner's decision is expected to be made shall be classified as public data under section 13.41. All other information contained in the application form shall be classified as private data under section 13.41 until the application has been approved, approved as modified, or denied by the commissioner. Once the decision has been made, all information shall be classified as public data unless the applicant designates and the commissioner determines that the information contains trade secret information.

(d) The commissioner shall accept an application for designation as an essential community provider until June 30, 2001, from:

(1) one applicant that is a nonprofit community health care facility, certified as a medical assistance provider effective April 1, 1998, that provides culturally competent health care to an underserved Southeast Asian immigrant and refugee population residing in the immediate neighborhood of the facility;

(2) one applicant that is a nonprofit home health care provider, certified as a Medicare and a medical assistance provider that provides culturally competent home health care services to a low-income culturally diverse population;

(3) up to five applicants that are nonprofit community mental health centers certified as medical assistance providers that provide mental health services to children with serious emotional disturbance and their families or to adults with serious and persistent mental illness; and

(4) one applicant that is a nonprofit provider certified as a medical assistance provider that provides mental health, child development, and family services to children with physical and mental health disorders and their families.

Sec. 2. Minnesota Statutes 1998, section 62Q.19, subdivision 6, is amended to read:

Subd. 6. **TERMINATION OR RENEWAL OF DESIGNATION; COMMISSIONER REVIEW.** The designation as an essential community provider ~~terminates~~ shall be valid for a five-year period from the date of designation. Five years after ~~it~~ the designation of essential community provider is granted~~, or when universal coverage as defined under section 62Q.165 is achieved, whichever~~ is ~~later~~ to a provider, the commissioner shall review the need for and appropriateness of continuing the designation for that provider. The commissioner may require a provider whose designation is to be reviewed to submit an application to the commissioner for renewal of the designation and may require an application fee to be submitted with the application to cover the administrative costs of processing the application. Based on that review, the commissioner may renew a provider's essential community provider designation for an additional five-year period or terminate the designation. Once the designation terminates, the former essential community provider has no rights or privileges beyond those of any other health care provider. ~~The commissioner shall make a recommendation to the legislature on whether an essential community provider designation should be longer than five years.~~

Sec. 3. Minnesota Statutes 1999 Supplement, section 256B.057, subdivision 9, is amended to read:

Subd. 9. **EMPLOYED PERSONS WITH DISABILITIES.** (a) Medical assistance may be paid for a person who is employed and who:

(1) meets the definition of disabled under the supplemental security income program;

(2) is at least 16 but less than 65 years of age;

(3) meets the asset limits in paragraph (b); and

~~(3)~~ (4) pays a premium, if required, under paragraph (c).

Any spousal income or assets shall be disregarded for purposes of eligibility and premium determinations.

(b) For purposes of determining eligibility under this subdivision, a person's assets must not exceed $20,000, excluding:

(1) all assets excluded under section 256B.056;

(2) retirement accounts, including individual accounts, 401(k) plans, 403(b) plans, Keogh plans, and pension plans; and

(3) medical expense accounts set up through the person's employer.

(c) A person whose earned and unearned income is greater than 200 percent of federal poverty guidelines for the applicable family size must pay a premium to be eligible for medical assistance. The premium shall be equal to ten percent of the person's gross earned and unearned income above 200 percent of federal poverty guidelines for the applicable family size up to the cost of coverage.

(d) A person's eligibility and premium shall be determined by the local county agency. Premiums must be paid to the commissioner. All premiums are dedicated to the commissioner.

(e) Any required premium shall be determined at application and redetermined annually at recertification or when a change in income ~~of~~ or family size occurs.

(f) Premium payment is due upon notification from the commissioner of the premium amount required. Premiums may be paid in installments at the discretion of the commissioner.

(g) Nonpayment of the premium shall result in denial or termination of medical assistance unless the person demonstrates good cause for nonpayment. Good cause exists if the requirements specified in Minnesota Rules, part 9506.0040, subpart 7, items B to D, are met. Nonpayment shall include payment with a returned, refused, or dishonored instrument. The commissioner may require a guaranteed form of payment as the only means to replace a returned, refused, or dishonored instrument.

Sec. 4. Minnesota Statutes 1999 Supplement, section 256B.0945, subdivision 1, is amended to read:

Subdivision 1. **PROVIDER QUALIFICATIONS.** Counties must arrange to provide residential services for children with severe emotional disturbance according to ~~section~~ sections 245.4882, 245.4885, and this section. Services must be provided by a facility that is licensed according to section 245.4882 and administrative rules promulgated thereunder, and under contract with the county. Facilities providing services under subdivision 2, paragraph (a), must be accredited as a psychiatric facility by the Joint Commission on Accreditation of Healthcare Organizations, the Commission on Accreditation of Rehabilitation Facilities, or the Council on Accreditation. Accreditation is not required for facilities providing services under subdivision 2, paragraph (b).

Sec. 5. Minnesota Statutes 1999 Supplement, section 256B.0945, subdivision 2, is amended to read:

Subd. 2. **COVERED SERVICES.** All services must be included in a child's individualized treatment or ~~collaborative family service~~ multiagency plan of care as defined in chapter 245.

(a) For facilities that are institutions for mental diseases according to statute and regulation or are not institutions for mental diseases but ~~choose~~ are approved by the commissioner to provide services under this paragraph, medical assistance covers the full contract rate, including room and board if the services meet the requirements of Code of Federal Regulations, title 42, section 440.160.

(b) For facilities that are not institutions for mental diseases according to federal statute and regulation and are not providing services under paragraph (a), medical assistance covers mental health related services that are required to be provided by a residential facility under section 245.4882 and administrative rules promulgated thereunder, except for room and board.

Sec. 6. Minnesota Statutes 1999 Supplement, section 256B.0945, subdivision 4, is amended to read:

Subd. 4. **PAYMENT RATES.** (a) Notwithstanding sections 256.025, subdivision 2; 256B.19; and 256B.041, payments to counties for residential services provided by a residential facility shall only be made of federal earnings for services provided under this section, and the nonfederal share of costs for services provided under this section shall be paid by the county from sources other than federal funds or funds used to match other federal funds. ~~Total annual payments for federal earnings shall not exceed the federal medical assistance percentage matching rate multiplied by the total county expenditures for services provided under section 245.4882 for either (1) the calendar year 1999 or (2) the average annual expenditures for the calendar years 1995 to 1999, whichever is greater.~~ Payment to counties for services provided according to subdivision 2, paragraph (a), shall be the federal share of the contract rate. Payment to counties for services provided according to subdivision 2, paragraph (b), shall be a proportion of the per day contract rate that relates to rehabilitative mental health services and shall not include payment for costs or services that are billed to the IV-E program as room and board.

~~(b) Annual earnings that exceed a county's limit as established under paragraph (a) shall be retained by the commissioner and managed as grants for community-based children's mental health services under section 245.4886. The commissioner may target these grant funds as necessary to reduce reliance on residential treatment of children with severe emotional disturbance.~~

~~(c)~~ (b) The commissioner shall set aside a portion not to exceed five percent of the federal funds earned under this section to cover the state costs of ~~two staff positions and support costs necessary in~~ administering this section. Any unexpended funds from the set-aside shall be distributed to the counties in proportion to their earnings under this section.

Sec. 7. Minnesota Statutes 1999 Supplement, section 256B.0945, subdivision 5, is amended to read:

Subd. 5. **QUALITY MEASURES.** Counties must collect and report to the commissioner information on outcomes for services provided under this section using standardized tools that measure the impact of residential treatment programs on child functioning and/or behavior, living stability, and parent and child satisfaction consistent with the goals of sections 245.4876, subdivision 1, and 256F.01. The commissioner shall designate standardized tools to be used and shall collect and analyze individualized outcome data on a statewide basis and report to the legislature by December 1, 2003. The commissioner shall provide standardized tools that measure child and adolescent ~~functional assessment for intake and discharge, child behavior,~~

~~residential living environment and~~ functionality, placement stability, and satisfaction for youth and family members.

Sec. 8. Minnesota Statutes 1999 Supplement, section 256B.0945, subdivision 6, is amended to read:

Subd. 6. **FEDERAL EARNINGS.** Use of new federal funding earned from services provided under this section is limited to:

(1) increasing prevention and early intervention and supportive services to meet the mental health and child welfare needs of the children and families in the system of care;

(2) replacing reductions in federal IV-E reimbursement resulting from new medical assistance coverage; ~~and~~

(3) paying the nonfederal share of additional provider costs due to accreditation and new program standards necessary for Medicaid reimbursement; and

(4) paying for the costs of complying with the data collection and reporting requirements contained in subdivision 5.

For purposes of this section, prevention, early intervention, and supportive services for children and families include alternative responses to child maltreatment reports under chapter 626 and nonresidential children's mental health services outlined in ~~sections~~ section 245.4875, subdivision 2, ~~children's mental health,~~ and family preservation services outlined in section 256F.05, subdivision 8, ~~family preservation services~~.

Sec. 9. Minnesota Statutes 1999 Supplement, section 256B.0945, subdivision 7, is amended to read:

Subd. 7. **MAINTENANCE OF EFFORT.** (a) Counties that receive payment under this section must maintain a level of expenditures such that each year's county expenditures for prevention, early intervention, and supportive services for children and families is at least equal to that county's average expenditures for those services for calendar years 1998 and 1999. ~~For purposes of this section, "county expenditures" are the total expenditures for those services minus the state and federal revenues specifically designated for these services.~~

(b) The commissioner may waive the requirements in paragraph (a) if any of the conditions specified in section 256F.13, subdivision 1, paragraph (a), clause (4), items (i) to (iv), are met.

Sec. 10. Minnesota Statutes 1999 Supplement, section 256B.0945, subdivision 8, is amended to read:

Subd. 8. **REPORTS.** The commissioner shall review county expenditures annually using reports required under sections 245.482; 256.01, subdivision 2, clause (17); and 256E.08, subdivision 8, to ensure that counties meet their obligation under subdivision 7, and that the base level of expenditures for ~~mental health and child welfare~~ prevention, early intervention, and ~~family support~~ supportive services for children and families and children's mental health residential treatment is continued

from sources other than federal funds earned under this section.

Sec. 11. Minnesota Statutes 1999 Supplement, section 256B.0945, subdivision 9, is amended to read:

Subd. 9. **SANCTIONS.** The commissioner may suspend, reduce, or terminate ~~the federal reimbursement~~ funds for prevention, early intervention, and supportive services for children and families up to the limit of federal revenue earned under this section to a county that does not meet one or all of the requirements of this section. If the commissioner finds evidence of children placed in residential treatment who do not meet the criteria outlined in section 245.4885, subdivision 1, the commissioner may take action to limit inappropriate placements in residential treatment.

Sec. 12. Minnesota Statutes 1999 Supplement, section 256B.69, subdivision 6b, is amended to read:

Subd. 6b. **HOME AND COMMUNITY-BASED WAIVER SERVICES.** (a) For individuals enrolled in the Minnesota senior health options project authorized under subdivision 23, elderly waiver services shall be covered according to the terms and conditions of the federal agreement governing that demonstration project.

(b) For individuals under age 65 ~~with physical disabilities but without a primary diagnosis of mental illness or developmental disabilities, except for related conditions,~~ enrolled in ~~the Minnesota senior health options project~~ demonstrations authorized under subdivision 23, home and community-based waiver services shall be covered according to the terms and conditions of the federal agreement governing that demonstration project.

Sec. 13. Minnesota Statutes 1998, section 256B.69, subdivision 23, is amended to read:

Subd. 23. **ALTERNATIVE INTEGRATED LONG-TERM CARE SERVICES; ELDERLY AND DISABLED PERSONS.** (a) The commissioner may implement demonstration projects to create alternative integrated delivery systems for acute and long-term care services to elderly persons and ~~disabled~~ persons with disabilities as defined in section 256B.77, subdivision 7a, that provide increased coordination, improve access to quality services, and mitigate future cost increases. The commissioner may seek federal authority to combine Medicare and Medicaid capitation payments for the purpose of such demonstrations. Medicare funds and services shall be administered according to the terms and conditions of the federal waiver and demonstration provisions. For the purpose of administering medical assistance funds, demonstrations under this subdivision are subject to subdivisions 1 to ~~17~~ 22. The provisions of Minnesota Rules, parts 9500.1450 to 9500.1464, apply to these demonstrations, with the exceptions of parts 9500.1452, subpart 2, item B; and 9500.1457, subpart 1, items B and C, which do not apply to ~~elderly~~ persons enrolling in demonstrations under this section. An initial open enrollment period may be provided. Persons who disenroll from demonstrations under this subdivision remain subject to Minnesota Rules, parts 9500.1450 to 9500.1464. When a person is enrolled in a health plan under these demonstrations and the health plan's participation is

subsequently terminated for any reason, the person shall be provided an opportunity to select a new health plan and shall have the right to change health plans within the first 60 days of enrollment in the second health plan. Persons required to participate in health plans under this section who fail to make a choice of health plan shall not be randomly assigned to health plans under these demonstrations. Notwithstanding section 256L.12, subdivision 5, and Minnesota Rules, part 9505.5220, subpart 1, item A, if adopted, for the purpose of demonstrations under this subdivision, the commissioner may contract with managed care organizations, including counties, to serve only elderly persons eligible for medical assistance, elderly and disabled persons, or disabled persons only. For persons with primary diagnoses of mental retardation or a related condition, serious and persistent mental illness, or serious emotional disturbance, the commissioner must ensure that the county authority has approved the demonstration and contracting design. Enrollment in these projects shall be voluntary until July 1, 2001. The commissioner shall not implement any demonstration project under this subdivision for persons with primary diagnoses of mental retardation or a related condition, serious and persistent mental illness, or serious emotional disturbance, without approval of the county board of the county in which the demonstration is being implemented.

Before implementation of a demonstration project for disabled persons, the commissioner must provide information to appropriate committees of the house of representatives and senate and must involve representatives of affected disability groups in the design of the demonstration projects.

(b) A nursing facility reimbursed under the alternative reimbursement methodology in section 256B.434 may, in collaboration with a hospital, clinic, or other health care entity, provide services under paragraph (a). The commissioner shall amend the state plan and seek any federal waivers necessary to implement this paragraph.

Sec. 14. Minnesota Statutes 1999 Supplement, section 256D.03, subdivision 3, is amended to read:

Subd. 3. **GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.** (a) General assistance medical care may be paid for any person who is not eligible for medical assistance under chapter 256B, including eligibility for medical assistance based on a spenddown of excess income according to section 256B.056, subdivision 5, or MinnesotaCare as defined in paragraph (b), except as provided in paragraph (c); and:

(1) who is receiving assistance under section 256D.05, except for families with children who are eligible under Minnesota family investment program-statewide (MFIP-S), who is having a payment made on the person's behalf under sections 256I.01 to 256I.06, or who resides in group residential housing as defined in chapter 256I and can meet a spenddown using the cost of remedial services received through group residential housing; or

(2)(i) who is a resident of Minnesota; and whose equity in assets is not in excess of $1,000 per assistance unit. Exempt assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in chapter 256B, with the following exception: the maximum amount of undistributed funds in a

trust that could be distributed to or on behalf of the beneficiary by the trustee, assuming the full exercise of the trustee's discretion under the terms of the trust, must be applied toward the asset maximum; and

(ii) who has countable income not in excess of the assistance standards established in section 256B.056, subdivision 4, or whose excess income is spent down according to section 256B.056, subdivision 5, using a six-month budget period. The method for calculating earned income disregards and deductions for a person who resides with a dependent child under age 21 shall follow section 256B.056, subdivision 1a. However, if a disregard of $30 and one-third of the remainder has been applied to the wage earner's income, the disregard shall not be applied again until the wage earner's income has not been considered in an eligibility determination for general assistance, general assistance medical care, medical assistance, or MFIP-S for 12 consecutive months. The earned income and work expense deductions for a person who does not reside with a dependent child under age 21 shall be the same as the method used to determine eligibility for a person under section 256D.06, subdivision 1, except the disregard of the first $50 of earned income is not allowed;

(3) who would be eligible for medical assistance except that the person resides in a facility that is determined by the commissioner or the federal Health Care Financing Administration to be an institution for mental diseases; or

(4) who is ineligible for medical assistance under chapter 256B or general assistance medical care under any other provision of this section, and is receiving care and rehabilitation services from a nonprofit center established to serve victims of torture. These individuals are eligible for general assistance medical care only for the period during which they are receiving services from the center. During this period of eligibility, individuals eligible under this clause shall not be required to participate in prepaid general assistance medical care.

(b) Beginning January 1, 2000, applicants or recipients who meet all eligibility requirements of MinnesotaCare as defined in sections 256L.01 to 256L.16, and are:

(i) adults with dependent children under 21 whose gross family income is equal to or less than 275 percent of the federal poverty guidelines; or

(ii) adults without children with earned income and whose family gross income is between 75 percent of the federal poverty guidelines and the amount set by section 256L.04, subdivision 7, shall be terminated from general assistance medical care upon enrollment in MinnesotaCare.

(c) For services rendered on or after July 1, 1997, eligibility is limited to one month prior to application if the person is determined eligible in the prior month. A redetermination of eligibility must occur every 12 months. Beginning January 1, 2000, Minnesota health care program applications completed by recipients and applicants who are persons described in paragraph (b), may be returned to the county agency to be forwarded to the department of human services or sent directly to the department of human services for enrollment in MinnesotaCare. If all other eligibility requirements of this subdivision are met, eligibility for general assistance medical care shall be

available in any month during which a MinnesotaCare eligibility determination and enrollment are pending. Upon notification of eligibility for MinnesotaCare, notice of termination for eligibility for general assistance medical care shall be sent to an applicant or recipient. If all other eligibility requirements of this subdivision are met, eligibility for general assistance medical care shall be available until enrollment in MinnesotaCare subject to the provisions of paragraph (e).

(d) The date of an initial Minnesota health care program application necessary to begin a determination of eligibility shall be the date the applicant has provided a name, address, and social security number, signed and dated, to the county agency or the department of human services. If the applicant is unable to provide an initial application when health care is delivered due to a medical condition or disability, a health care provider may act on the person's behalf to complete the initial application. The applicant must complete the remainder of the application and provide necessary verification before eligibility can be determined. The county agency must assist the applicant in obtaining verification if necessary. On the basis of information provided on the completed application, an applicant who meets the following criteria shall be determined eligible beginning in the month of application:

(1) has gross income less than 90 percent of the applicable income standard;

(2) has liquid assets that total within $300 of the asset standard;

(3) does not reside in a long-term care facility; and

(4) meets all other eligibility requirements.

The applicant must provide all required verifications within 30 days' notice of the eligibility determination or eligibility shall be terminated.

(e) County agencies are authorized to use all automated databases containing information regarding recipients' or applicants' income in order to determine eligibility for general assistance medical care or MinnesotaCare. Such use shall be considered sufficient in order to determine eligibility and premium payments by the county agency.

(f) General assistance medical care is not available for a person in a correctional facility unless the person is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, and the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.

(g) General assistance medical care is not available for applicants or recipients who do not cooperate with the county agency to meet the requirements of medical assistance. General assistance medical care is limited to payment of emergency services only for applicants or recipients as described in paragraph (b), whose MinnesotaCare coverage is denied or terminated for nonpayment of premiums as required by sections 256L.06 and 256L.07.

(h) In determining the amount of assets of an individual, there shall be included any asset or interest in an asset, including an asset excluded under paragraph (a), that was given away, sold, or disposed of for less than fair market value within the 60 months preceding application for general assistance medical care or during the period of eligibility. Any transfer described in this paragraph shall be presumed to have been for the purpose of establishing eligibility for general assistance medical care, unless the individual furnishes convincing evidence to establish that the transaction was exclusively for another purpose. For purposes of this paragraph, the value of the asset or interest shall be the fair market value at the time it was given away, sold, or disposed of, less the amount of compensation received. For any uncompensated transfer, the number of months of ineligibility, including partial months, shall be calculated by dividing the uncompensated transfer amount by the average monthly per person payment made by the medical assistance program to skilled nursing facilities for the previous calendar year. The individual shall remain ineligible until this fixed period has expired. The period of ineligibility may exceed 30 months, and a reapplication for benefits after 30 months from the date of the transfer shall not result in eligibility unless and until the period of ineligibility has expired. The period of ineligibility begins in the month the transfer was reported to the county agency, or if the transfer was not reported, the month in which the county agency discovered the transfer, whichever comes first. For applicants, the period of ineligibility begins on the date of the first approved application.

(i) When determining eligibility for any state benefits under this subdivision, the income and resources of all noncitizens shall be deemed to include their sponsor's income and resources as defined in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, title IV, Public Law Number 104-193, sections 421 and 422, and subsequently set out in federal rules.

(j)(1) An undocumented noncitizen or a nonimmigrant is ineligible for general assistance medical care other than emergency services. For purposes of this subdivision, a nonimmigrant is an individual in one or more of the classes listed in United States Code, title 8, section 1101(a)(15), and an undocumented noncitizen is an individual who resides in the United States without the approval or acquiescence of the Immigration and Naturalization Service.

(2) This paragraph does not apply to a child under age 18, to a Cuban or Haitian entrant as defined in Public Law Number 96-422, section 501(e)(1) or (2)(a), or to a noncitizen who is aged, blind, or disabled as defined in Code of Federal Regulations, title 42, sections 435.520, 435.530, 435.531, 435.540, and 435.541, or effective October 1, 1998, to an individual eligible for general assistance medical care under paragraph (a), clause (4), who cooperates with the Immigration and Naturalization Service to pursue any applicable immigration status, including citizenship, that would qualify the individual for medical assistance with federal financial participation.

~~(3)~~ (k) For purposes of ~~this paragraph~~ paragraphs (g) and (j), "emergency services" has the meaning given in Code of Federal Regulations, title 42, section

440.255(b)(1), except that it also means services rendered because of suspected or actual pesticide poisoning.

~~(k)~~ (l) Notwithstanding any other provision of law, a noncitizen who is ineligible for medical assistance due to the deeming of a sponsor's income and resources, is ineligible for general assistance medical care.

Sec. 15. Minnesota Statutes 1999 Supplement, section 256L.03, subdivision 5, is amended to read:

Subd. 5. **COPAYMENTS AND COINSURANCE.** (a) Except as provided in paragraphs (b) and (c), the MinnesotaCare benefit plan shall include the following copayments and coinsurance requirements for all enrollees ~~except parents and relative caretakers of children under the age of 21 in households with income at or below 175 percent of the federal poverty guidelines and pregnant women and children under the age of 21~~:

(1) ten percent of the paid charges for inpatient hospital services for adult enrollees, subject to an annual inpatient out-of-pocket maximum of $1,000 per individual and $3,000 per family;

(2) $3 per prescription for adult enrollees;

(3) $25 for eyeglasses for adult enrollees; and

(4) ~~effective July 1, 1998,~~ 50 percent of the fee-for-service rate for adult dental care services other than preventive care services for persons eligible under section 256L.04, subdivisions 1 to 7, with income equal to or less than 175 percent of the federal poverty guidelines.

~~The exceptions described in this paragraph shall only be implemented if required to obtain federal Medicaid funding for these individuals and shall expire July 1, 2000.~~

(b) ~~Effective July 1, 1997,~~ Paragraph (a), clause (1), does not apply to parents and relative caretakers of children under the age of 21 in households with family income equal to or less than 175 percent of the federal poverty guidelines. Paragraph (a), clause (1), does not apply to parents and relative caretakers of children under the age of 21 in households with family income greater than 175 percent of the federal poverty guidelines for inpatient hospital admissions occurring on or after January 1, 2001.

(c) Paragraph (a), clauses (1) to (4), do not apply to pregnant women and children under the age of 21.

(d) Adult enrollees with family gross income that exceeds 175 percent of the federal poverty guidelines and who are not pregnant shall be financially responsible for the coinsurance amount, if applicable, and amounts which exceed the $10,000 inpatient hospital benefit limit.

~~(c)~~ (e) When a MinnesotaCare enrollee becomes a member of a prepaid health plan, or changes from one prepaid health plan to another during a calendar year, any charges submitted towards the $10,000 annual inpatient benefit limit, and any out-of-pocket expenses incurred by the enrollee for inpatient services, that were

submitted or incurred prior to enrollment, or prior to the change in health plans, shall be disregarded.

Sec. 16. Laws 1999, chapter 245, article 8, section 84, is amended to read:

Sec. 84. **RECOMMENDATIONS TO THE LEGISLATURE.**

The commissioner of human services shall submit to the legislature design and implementation recommendations for the proposals required in sections 82 and 83, including draft legislation, by January 15, ~~2000~~ 2001, for implementation by ~~July 1, 2000~~ January 1, 2002, with respect to the proposal in section 82 only. The proposals shall not include requirements for maintenance of effort and expanded expenditures concerning federal reimbursements earned in these programs.

Sec. 17. **OBSOLETE RULES.**

The commissioner shall amend or repeal obsolete provisions of Minnesota Rules, parts 9505.0010 to 9505.0150, governing eligibility for the medical assistance program, under the expedited process of Minnesota Statutes, section 14.389, to bring them into conformance with state and federal law.

Sec. 18. **GROUP RESIDENTIAL HOUSING REVIEW.**

The commissioner of human services, in consultation with representatives of affected providers, consumers, and counties, shall review group residential housing (GRH) expenditures that may be eligible for reimbursement under the home and community-based waiver services program for persons with mental retardation or related conditions (MR/RC waiver). The review may include:

(1) an assessment of consumer access to housing as a result of the limits on GRH supplementary room and board rates adopted in Laws 1999, chapter 245, article 3, section 40;

(2) an analysis of market rate housing costs for families of comparable size to those funded under the GRH program;

(3) an analysis of the impact on GRH costs of providing services and housing to persons with developmental disabilities, including:

(i) a breakdown by level of client disability of GRH expenditures for housing costs for persons with developmental disabilities;

(ii) a breakdown by level of client disability of GRH expenditures for service costs for persons with developmental disabilities;

(iii) an analysis of differences in GRH expenditures for persons with developmental disabilities compared to other GRH residents; and

(iv) a determination of GRH expenditures that are a direct result of a resident's disability;

(4) a determination of which services now paid for by the GRH program may be eligible under the MR/RC waiver, and an estimate of GRH costs that could be paid by

the federal government under the MR/RC waiver. The commissioner may begin the process of seeking federal approval to fund current group residential housing services under the MR/RC waiver;

(5) an assessment of the utilization of the food stamp program and other federal benefit programs by GRH residents;

(6) an analysis of the methods other states utilize to reimburse comparable room and board costs and service costs; and

(7) a compilation of current MR/RC waiver caps in Minnesota counties, compared with actual MR/RC spending.

Sec. 19. **ALTERNATIVE CARE PILOT PROJECTS.**

(a) Expenditures for housing with services and adult foster care shall be excluded when determining average monthly expenditures per client for alternative care pilot projects authorized in Laws 1993, First Special Session chapter 1, article 5, section 133.

(b) Alternative care pilot projects shall not expire on June 30, 2001, but shall continue until June 30, 2005.

Sec. 20. **REPEALER.**

Laws 1998, chapter 407, article 5, section 44, is repealed.

Sec. 21. **EFFECTIVE DATE.**

Sections 1, 15, and 17 are effective the day following final enactment.

Presented to the governor April 3, 2000

Signed by the governor April 6, 2000, 3:55 p.m.

CHAPTER 341—H.F.No. 3510

An act relating to game and fish; providing for certain lifetime game and fish licenses; making the experimental two-deer license in certain counties permanent; appropriating money; amending Minnesota Statutes 1998, sections 97A.071, subdivision 2; 97A.411, subdivision 1; 97A.421; 97A.475, subdivision 4; and 97B.301, subdivision 4; Minnesota Statutes 1999 Supplement, sections 97A.075, subdivision 1; and 97B.020; proposing coding for new law in Minnesota Statutes, chapter 97A.

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

Section 1. Minnesota Statutes 1998, section 97A.071, subdivision 2, is amended to read:

Subd. 2. **REVENUE FROM THE SMALL GAME LICENSE SURCHARGE.** Revenue from the small game surcharge and $4 annually from the lifetime fish and