

CHAPTER 3--H.F.No. 2

An act relating to state government; amending provisions on the Department of Health finance and policy, health licensing boards, pharmacy benefits, the Office of Emergency Medical Services, general health policy, health and education facilities, health care benefits, economic supports, child protection and welfare, early care and learning, licensing and certification, behavioral health, background studies, the Department of Human Services program integrity, and homelessness; making technical and conforming changes; providing for criminal penalties; providing for civil penalties; providing for rulemaking; establishing task forces; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 3.732, subdivision 1; 10A.01, subdivision 35; 13.46, subdivisions 2, 3, as amended; 62A.673, subdivision 2; 62D.21; 62D.211; 62J.461, subdivisions 3, 4, 5; 62J.51, subdivision 19a; 62J.581; 62J.84, subdivisions 2, 3, 6, 10, 11, 12, 13, 14, 15; 62K.10, subdivisions 2, 5, 6; 62M.17, subdivision 2; 103I.005, subdivision 17b; 103I.101, subdivisions 2, 5, 6, by adding a subdivision; 103I.208, subdivisions 1, 1a, 2; 103I.235, subdivision 1; 103I.525, subdivisions 2, 6, 8; 103I.531, subdivisions 2, 6, 8; 103I.535, subdivisions 2, 6, 8; 103I.541, subdivisions 2b, 2c, 4; 103I.545, subdivisions 1, 2; 103I.601, subdivisions 2, 4; 136A.25; 136A.26; 136A.27; 136A.28; 136A.29, subdivisions 1, 3, 6, 9, 10, 14, 19, 20, 21, 22, by adding a subdivision; 136A.32, subdivisions 1, 4, by adding a subdivision; 136A.33; 136A.34, subdivisions 3, 4; 136A.36; 136A.38; 136A.41; 136A.42; 136F.67, subdivision 1; 138.912, subdivisions 1, 2, 3, 4, 6; 142A.02, subdivision 1; 142A.03, subdivision 2, by adding a subdivision; 142A.09, subdivision 1; 142A.42; 142A.76, subdivisions 2, 3; 142B.01, subdivision 15, by adding a subdivision; 142B.05, subdivision 3; 142B.10, subdivision 14; 142B.16, subdivisions 2, 5; 142B.171, subdivision 2; 142B.18, subdivision 6; 142B.30, subdivision 1; 142B.41, by adding a subdivision; 142B.47; 142B.51, subdivision 2; 142B.65, subdivisions 8, 9; 142B.66, subdivision 3; 142B.70, subdivisions 7, 8; 142B.80; 142C.06, by adding a subdivision; 142C.11, subdivision 8; 142C.12, subdivisions 1, 6; 142D.21, by adding a subdivision; 142D.23, subdivision 3; 142D.31, subdivision 2; 142E.03, subdivision 3; 142E.11, subdivisions 1, 2; 142E.13, subdivision 2; 142E.15, subdivision 1; 142E.16, subdivisions 3, 7; 142F.14; 144.064, subdivision 3; 144.0758, subdivision 3; 144.1205, subdivisions 2, 4, 8, 9, 10; 144.121, subdivisions 1a, 2, 5, by adding subdivisions; 144.1215, by adding a subdivision; 144.122; 144.1222, subdivisions 1a, 2d; 144.125, subdivision 1; 144.3831, subdivision 1; 144.50, by adding a subdivision; 144.55, subdivision 1a; 144.554; 144.555, subdivisions 1a, 1b; 144.562, subdivisions 2, 3; 144.563; 144.608, subdivision 2; 144.615, subdivision 8; 144.966, subdivision 2, as amended; 144.98, subdivisions 8, 9; 144.99, subdivision 1; 144A.43, subdivision 15, by adding a subdivision; 144A.474, subdivisions 9, 11; 144A.475, subdivisions 3, 3a, 3b, 3c; 144A.71, subdivision 2; 144A.753, subdivision 1; 144E.35; 144G.08, subdivision 45; 144G.20, subdivisions 3, 13, 16, 17; 144G.30, subdivision 7; 144G.31, subdivisions 2, 4, 5; 144G.45, subdivision 6; 145.8811; 145.901, subdivision 1; 145.9269, subdivision 2; 145.987, subdivisions 1, 2; 145C.01, by adding subdivisions; 145C.17; 147.01, subdivision 7; 147.037, by adding a subdivision; 147A.02; 147D.03, subdivision 1; 148.108, subdivision 1, by adding subdivisions; 148.191, subdivision 2; 148.241; 148.512, subdivision 17a; 148.5192, subdivision 3; 148.5194, subdivision 3b; 148.56, subdivision 1, by adding a subdivision; 148.6401; 148.6402, subdivisions 1, 7, 8, 13, 14, 16, 16a, 19, 20, 23, 25, by adding subdivisions; 148.6403; 148.6404; 148.6405; 148.6408, subdivision 2, by adding a subdivision; 148.6410, subdivision 2, by adding a subdivision; 148.6412, subdivisions 2, 3; 148.6415; 148.6418; 148.6420, subdivision 1; 148.6423, subdivisions 1, 2, by adding a subdivision; 148.6425, subdivision 2, by adding subdivisions; 148.6428; 148.6432, subdivisions 1, 2, 3, 4, by adding a subdivision; 148.6435; 148.6438; 148.6443, subdivisions 3, 4, 5, 6, 7, 8; 148.6445,

by adding subdivisions; 148.6448, subdivisions 1, 2, 4, 6; 148.6449, subdivisions 1, 2, 7; 148B.53, subdivision 3; 148E.180, subdivisions 1, 5, 7, by adding subdivisions; 149A.02, by adding a subdivision; 150A.105, by adding a subdivision; 151.01, subdivisions 15, 23; 151.065, subdivisions 1, 3, 6; 151.101; 151.555, subdivisions 6, 10; 152.12, subdivision 1; 153B.85, subdivisions 1, 3; 156.015, by adding subdivisions; 157.16, subdivisions 2, 2a, 3, 3a, by adding a subdivision; 174.30, subdivision 3; 214.06, by adding a subdivision; 245.095, by adding a subdivision; 245.0962, subdivision 1; 245.4661, subdivisions 2, 6, 7; 245.4871, subdivision 5; 245.4889, subdivision 1, as amended; 245.975, subdivision 1; 245A.04, subdivision 1, as amended; 245A.05; 245A.07, subdivision 2; 245A.18, subdivision 1; 245C.02, subdivision 15a, by adding a subdivision; 245C.05, subdivisions 1, 5, 5a; 245C.08, subdivisions 1, 5; 245C.10, subdivision 9, by adding a subdivision; 245C.13, subdivision 2; 245C.14, by adding a subdivision; 245C.15, subdivisions 1, 4a, by adding a subdivision; 245C.22, subdivisions 3, 8; 256.045, subdivision 7; 256.9657, by adding a subdivision; 256.969, subdivision 2f; 256.983, subdivision 4; 256B.0371, subdivision 3; 256B.04, subdivisions 12, 14, 21; 256B.051, subdivision 3; 256B.0625, subdivisions 2, 3b, 8, 8a, 8e, 13, 13c, 13d, 13e, 17, 30, 54, by adding subdivisions; 256B.064, subdivision 1a, as amended; 256B.0659, subdivision 21; 256B.0757, subdivision 5, by adding a subdivision; 256B.1973, subdivision 5, by adding a subdivision; 256B.4912, subdivision 1; 256B.69, subdivisions 3a, 6d, by adding a subdivision; 256B.692, subdivision 2; 256B.76, subdivisions 1, 6, by adding a subdivision; 256B.761; 256B.766; 256B.85, subdivision 12; 256I.03, subdivision 11a; 256L.03, subdivision 3b; 256R.01, by adding a subdivision; 260.65; 260.66, subdivision 1; 260.691, subdivision 1; 260.692; 260.810, subdivisions 1, 2; 260.821, subdivision 2; 260C.001, subdivision 2; 260C.007, subdivision 19; 260C.141, subdivision 1; 260C.150, subdivision 3; 260C.178, subdivision 1, as amended; 260C.201, subdivisions 1, as amended, 2, as amended; 260C.202, subdivision 2, by adding subdivisions; 260C.204; 260C.221, subdivision 2; 260C.223, subdivisions 1, 2; 260C.329, subdivisions 3, 8; 260C.451, subdivision 9; 260C.452, subdivision 4; 260E.03, subdivision 15; 260E.09; 260E.14, subdivisions 2, 3; 260E.20, subdivisions 1, 3; 260E.24, subdivisions 1, 2; 295.50, subdivision 3; 325M.34; 326.72, subdivision 1; 326.75, subdivisions 3, 3a; 327.15, subdivisions 2, 3, 4, by adding a subdivision; 354B.20, subdivision 7; 518A.46, subdivision 7; 609A.015, subdivision 4; 609A.055, subdivision 3; Laws 2021, First Special Session chapter 7, article 1, section 39; article 2, section 81; Laws 2023, chapter 70, article 20, section 2, subdivision 30; Laws 2024, chapter 127, article 67, section 4; proposing coding for new law in Minnesota Statutes, chapters 62Q; 135A; 142B; 144; 144E; 145; 145C; 148; 153; 256B; 260E; 295; 306; 307; 325M; proposing coding for new law as Minnesota Statutes, chapter 148G; repealing Minnesota Statutes 2024, sections 62K.10, subdivision 3; 103I.550; 136A.29, subdivision 4; 148.108, subdivisions 2, 3, 4; 148.6402, subdivision 22a; 148.6420, subdivisions 2, 3, 4; 148.6423, subdivisions 4, 5, 7, 8, 9; 148.6425, subdivision 3; 148.6430; 148.6445, subdivisions 5, 6, 8; 156.015, subdivision 1; 256B.0625, subdivisions 18b, 18e, 18h, 38; Laws 2023, chapter 70, article 16, section 22; Minnesota Rules, parts 2500.1150; 2500.2030; 4695.2900; 6800.5100, subpart 5; 6800.5400, subparts 5, 6; 6900.0250, subparts 1, 2; 9100.0400, subparts 1, 3; 9100.0500; 9100.0600; 9503.0030, subpart 1, item B.

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

ARTICLE 1

DEPARTMENT OF HEALTH FINANCE

Section 1. Minnesota Statutes 2024, section 62D.21, is amended to read:

62D.21 FEES.

Every health maintenance organization subject to sections 62D.01 to 62D.30 shall pay to the commissioner of health the following fees as prescribed by the commissioner of health pursuant to section 144.122 for the following:

- (1) filing an application for a certificate of authority: \$10,000;
- (2) filing an amendment to a certificate of authority: \$125;
- (3) filing each annual report: \$400; ~~and~~
- ~~(4) other filings, as specified by rule.~~
- (4) filing each quarterly report: \$200; and
- (5) filing annual plan review documents, amendments to plan documents, and quality plans: \$125.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 2. Minnesota Statutes 2024, section 62D.211, is amended to read:

62D.211 RENEWAL FEE.

Each health maintenance organization subject to sections 62D.01 to 62D.30 shall submit to the commissioner of health each year before June 15 a certificate of authority renewal fee in the amount of ~~\$10,000~~ \$30,000 each plus ~~20~~ 88 cents per person enrolled in the health maintenance organization on December 31 of the preceding year. ~~The commissioner may adjust the renewal fee in rule under the provisions of chapter 14.~~

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 3. Minnesota Statutes 2024, section 103I.101, subdivision 6, is amended to read:

Subd. 6. **Fees for variances.** The commissioner shall charge a nonrefundable application fee of ~~\$275~~ \$325 to cover the ~~administrative~~ cost of processing a request for a variance or modification of rules adopted by the commissioner under this chapter.

Sec. 4. Minnesota Statutes 2024, section 103I.208, subdivision 1, is amended to read:

Subdivision 1. **Well notification fee.** The well notification fee to be paid by a property owner is:

- (1) for construction of a water supply well, ~~\$275~~ \$325, which includes the state core function fee;
- (2) for a well sealing, ~~\$75~~ \$125 for each well or temporary boring, which includes the state core function fee, except that: (i) a single notification and fee of ~~\$75~~ \$125 is required for all temporary borings on a single

property and sealed within 72 hours of start of construction; and (ii) temporary borings less than 25 feet in depth are exempt from the notification and fee requirements in this chapter;

(3) for construction of a dewatering well, ~~\$275~~ \$330, which includes the state core function fee, for each dewatering well, except a dewatering project comprising five or more dewatering wells shall be assessed a single fee of ~~\$1,375~~ \$1,620 for the dewatering wells recorded on the notification; and

(4) for construction of an environmental well, ~~\$275~~ \$330, which includes the state core function fee, ~~except that a single fee of \$275 is required for all environmental wells recorded on the notification that are located on a single property, and except that no fee is required for construction of a temporary boring for each environmental well, except an environmental well site project comprising five or more environmental wells shall be assessed a single fee of \$1,620 for the environmental wells recorded on the notification.~~

Sec. 5. Minnesota Statutes 2024, section 103I.208, subdivision 1a, is amended to read:

Subd. 1a. **State core function fee.** The state core function fee to be collected by the state and delegated community health boards and used to support state core functions is:

(1) for a new well, ~~\$20~~ \$40; and

(2) for a well sealing, ~~\$5~~ \$15.

Sec. 6. Minnesota Statutes 2024, section 103I.208, subdivision 2, is amended to read:

Subd. 2. **Permit fee.** (a) The permit fee to be paid by a property owner is:

(1) for a water supply well that is not in use under a maintenance permit, ~~\$175~~ \$225 annually;

(2) for an environmental well that is unsealed under a maintenance permit, ~~\$175 annually except~~ no fee is required for an environmental well owned by a federal agency, state agency, or local unit of government that is unsealed under a maintenance permit. "Local unit of government" means a statutory or home rule charter city, town, county, or soil and water conservation district, a watershed district, an organization formed for the joint exercise of powers under section 471.59, a community health board, or other special purpose district or authority with local jurisdiction in water and related land resources management;

(3) for environmental wells on an environmental well site that are unsealed under a maintenance permit;

~~\$175~~ (i) \$225 annually for one to ten environmental wells per site ~~regardless of the number of environmental wells located on site;~~

(ii) \$325 annually for 11 to 20 environmental wells per site; and

(iii) \$425 annually for 21 or more environmental wells per site;

(4) for a groundwater thermal exchange device, in addition to the notification fee for water supply wells, ~~\$275~~ \$350 for systems using 20 gallons per minute or less and \$590 for systems using over 20 gallons per minute, which includes the state core function fee;

(5) for a bored geothermal heat exchanger with less than ten tons of heating/cooling capacity, ~~\$275~~ \$350;

(6) for a bored geothermal heat exchanger with ten to 50 tons of heating/cooling capacity, ~~\$545~~ \$590;

(7) for a bored geothermal heat exchanger with greater than 50 tons of heating/cooling capacity, ~~\$740~~ \$815;

(8) for a dewatering well that is unsealed under a maintenance permit, ~~\$175~~ \$330 annually for each dewatering well, except a dewatering project comprising ~~more than five or more~~ dewatering wells shall be issued a single permit for ~~\$875~~ \$1,620 annually for dewatering wells recorded on the permit;

(9) for an elevator boring, ~~\$275~~ \$325 for each boring; and

(10) for a submerged closed loop heat exchanger system, in addition to the notification fee for water supply wells, \$3,250, which includes the state core function fee.

(b) For purposes of this subdivision, an environmental well site includes all of the environmental wells on a single property. A single property is considered one tax parcel or multiple contiguous parcels with the same owner.

Sec. 7. Minnesota Statutes 2024, section 103I.235, subdivision 1, is amended to read:

Subdivision 1. **Disclosure of wells to buyer.** (a) Before signing an agreement to sell or transfer real property, the seller must disclose in writing to the buyer information about the status and location of all known wells on the property, by delivering to the buyer either a statement by the seller that the seller does not know of any wells on the property, or a disclosure statement indicating the legal description and county, and a map drawn from available information showing the location of each well to the extent practicable. In the disclosure statement, the seller must indicate, for each well, whether the well is in use, not in use, or sealed.

(b) At the time of closing of the sale, the disclosure statement information, name and mailing address of the buyer, and the quartile, section, township, and range in which each well is located must be provided on a well disclosure certificate signed by the seller or a person authorized to act on behalf of the seller.

(c) A well disclosure certificate need not be provided if the seller does not know of any wells on the property and the deed or other instrument of conveyance contains the statement: "The Seller certifies that the Seller does not know of any wells on the described real property."

(d) If a deed is given pursuant to a contract for deed, the well disclosure certificate required by this subdivision shall be signed by the buyer or a person authorized to act on behalf of the buyer. If the buyer knows of no wells on the property, a well disclosure certificate is not required if the following statement appears on the deed followed by the signature of the grantee or, if there is more than one grantee, the signature of at least one of the grantees: "The Grantee certifies that the Grantee does not know of any wells on the described real property." The statement and signature of the grantee may be on the front or back of the deed or on an attached sheet and an acknowledgment of the statement by the grantee is not required for the deed to be recordable.

(e) This subdivision does not apply to the sale, exchange, or transfer of real property:

(1) that consists solely of a sale or transfer of severed mineral interests; or

(2) that consists of an individual condominium unit as described in chapters 515 and 515B.

(f) For an area owned in common under chapter 515 or 515B the association or other responsible person must report to the commissioner by July 1, 1992, the location and status of all wells in the common area.

The association or other responsible person must notify the commissioner within 30 days of any change in the reported status of wells.

(g) If the seller fails to provide a required well disclosure certificate, the buyer, or a person authorized to act on behalf of the buyer, may sign a well disclosure certificate based on the information provided on the disclosure statement required by this section or based on other available information.

(h) A county recorder or registrar of titles may not record a deed or other instrument of conveyance dated after October 31, 1990, for which a certificate of value is required under section 272.115, or any deed or other instrument of conveyance dated after October 31, 1990, from a governmental body exempt from the payment of state deed tax, unless the deed or other instrument of conveyance contains the statement made in accordance with paragraph (c) or (d) or is accompanied by the well disclosure certificate containing all the information required by paragraph (b) or (d). The county recorder or registrar of titles must not accept a certificate unless it contains all the required information. The county recorder or registrar of titles shall note on each deed or other instrument of conveyance accompanied by a well disclosure certificate that the well disclosure certificate was received. The notation must include the statement "No wells on property" if the disclosure certificate states there are no wells on the property. The well disclosure certificate shall not be filed or recorded in the records maintained by the county recorder or registrar of titles. After noting "No wells on property" on the deed or other instrument of conveyance, the county recorder or registrar of titles shall destroy or return to the buyer the well disclosure certificate. The county recorder or registrar of titles shall collect from the buyer or the person seeking to record a deed or other instrument of conveyance, a fee of ~~\$50~~ \$54 for receipt of a completed well disclosure certificate. By the tenth day of each month, the county recorder or registrar of titles shall transmit the well disclosure certificates to the commissioner of health. By the tenth day after the end of each calendar quarter, the county recorder or registrar of titles shall transmit to the commissioner of health ~~\$42.50~~ \$46.50 of the fee for each well disclosure certificate received during the quarter. The commissioner shall maintain the well disclosure certificate for at least six years. The commissioner may store the certificate as an electronic image. A copy of that image shall be as valid as the original.

(i) No new well disclosure certificate is required under this subdivision if the buyer or seller, or a person authorized to act on behalf of the buyer or seller, certifies on the deed or other instrument of conveyance that the status and number of wells on the property have not changed since the last previously filed well disclosure certificate. The following statement, if followed by the signature of the person making the statement, is sufficient to comply with the certification requirement of this paragraph: "I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate." The certification and signature may be on the front or back of the deed or on an attached sheet and an acknowledgment of the statement is not required for the deed or other instrument of conveyance to be recordable.

(j) The commissioner in consultation with county recorders shall prescribe the form for a well disclosure certificate and provide well disclosure certificate forms to county recorders and registrars of titles and other interested persons.

(k) Failure to comply with a requirement of this subdivision does not impair:

(1) the validity of a deed or other instrument of conveyance as between the parties to the deed or instrument or as to any other person who otherwise would be bound by the deed or instrument; or

(2) the record, as notice, of any deed or other instrument of conveyance accepted for filing or recording contrary to the provisions of this subdivision.

Sec. 8. Minnesota Statutes 2024, section 103I.525, subdivision 2, is amended to read:

Subd. 2. **Certification fee.** (a) The application fee for certification as a representative of a well contractor is ~~\$75~~ \$100. The commissioner may not act on an application until the application fee is paid.

(b) The renewal fee for certification as a representative of a well contractor is ~~\$75~~ \$100. The commissioner may not renew a certification until the renewal fee is paid.

(c) A certified representative must file an application and a renewal application fee to renew the certification by the date stated in the certification. The renewal application must include information that the certified representative has met continuing education requirements established by the commissioner by rule.

Sec. 9. Minnesota Statutes 2024, section 103I.525, subdivision 6, is amended to read:

Subd. 6. **License fee.** The fee for a well contractor's license is ~~\$250~~ \$300.

Sec. 10. Minnesota Statutes 2024, section 103I.525, subdivision 8, is amended to read:

Subd. 8. **Renewal.** (a) A licensee must file an application and a renewal application fee to renew the license by the date stated in the license.

(b) The renewal application fee for a well contractor's license is ~~\$250~~ \$300.

(c) The renewal application must include information that the certified representative of the applicant has met continuing education requirements established by the commissioner by rule.

(d) At the time of the renewal, the commissioner must have on file all properly completed well and boring construction reports, well and boring sealing reports, reports of elevator borings, water sample analysis reports, well and boring permits, and well notifications for work conducted by the licensee since the last license renewal.

Sec. 11. Minnesota Statutes 2024, section 103I.531, subdivision 2, is amended to read:

Subd. 2. **Certification fee.** (a) The application fee for certification as a representative of a limited well/boring contractor is ~~\$75~~ \$100. The commissioner may not act on an application until the application fee is paid.

(b) The renewal fee for certification as a representative of a limited well/boring contractor is ~~\$75~~ \$100. The commissioner may not renew a certification until the renewal fee is paid.

(c) The fee for three or more limited well/boring contractor certifications is ~~\$225~~ \$275.

(d) A certified representative must file an application and a renewal application fee to renew the certification by the date stated in the certification. The renewal application must include information that the certified representative has met continuing education requirements established by the commissioner by rule.

Sec. 12. Minnesota Statutes 2024, section 103I.531, subdivision 6, is amended to read:

Subd. 6. **License fee.** The fee for a limited well/boring contractor's license is ~~\$75~~ \$100. The fee for three or more limited well/boring contractor licenses is ~~\$225~~ \$275.

Sec. 13. Minnesota Statutes 2024, section 103I.531, subdivision 8, is amended to read:

Subd. 8. **Renewal.** (a) A person must file an application and a renewal application fee to renew the limited well/boring contractor's license by the date stated in the license.

(b) The renewal application fee for a limited well/boring contractor's license is ~~\$75~~ \$100.

(c) The renewal application must include information that the certified representative of the applicant has met continuing education requirements established by the commissioner by rule.

(d) At the time of the renewal, the commissioner must have on file all properly completed well and boring construction reports, well and boring sealing reports, well and boring permits, water quality sample reports, and well notifications for work conducted by the licensee since the last license renewal.

Sec. 14. Minnesota Statutes 2024, section 103I.535, subdivision 2, is amended to read:

Subd. 2. **Certification fee.** (a) The application fee for certification as a representative of an elevator boring contractor is ~~\$75~~ \$100. The commissioner may not act on an application until the application fee is paid.

(b) The renewal fee for certification as a representative of an elevator boring contractor is ~~\$75~~ \$100. The commissioner may not renew a certification until the renewal fee is paid.

(c) A certified representative must file an application and a renewal application fee to renew the certification by the date stated in the certification. The renewal application must include information that the certified representative has met continuing education requirements established by the commissioner by rule.

Sec. 15. Minnesota Statutes 2024, section 103I.535, subdivision 6, is amended to read:

Subd. 6. **License fee.** The fee for an elevator boring contractor's license is ~~\$75~~ \$100.

Sec. 16. Minnesota Statutes 2024, section 103I.535, subdivision 8, is amended to read:

Subd. 8. **Renewal.** (a) A person must file an application and a renewal application fee to renew the license by the date stated in the license.

(b) The renewal application fee for an elevator boring contractor's license is ~~\$75~~ \$100.

(c) The renewal application must include information that the certified representative of the applicant has met continuing education requirements established by the commissioner by rule.

(d) At the time of renewal, the commissioner must have on file all reports and permits for elevator boring work conducted by the licensee since the last license renewal.

Sec. 17. Minnesota Statutes 2024, section 103I.541, subdivision 2b, is amended to read:

Subd. 2b. **Issuance of license.** If a person employs a certified representative, submits the bond under subdivision 3, and pays the license fee of ~~\$75~~ \$100 for an environmental well contractor license, the commissioner shall issue an environmental well contractor license to the applicant. The fee for an individual registration is ~~\$75~~ \$100. The commissioner may not act on an application until the application fee is paid.

Sec. 18. Minnesota Statutes 2024, section 103I.541, subdivision 2c, is amended to read:

Subd. 2c. **Certification fee.** (a) The application fee for certification as a representative of an environmental well contractor is ~~\$75~~ \$100. The commissioner may not act on an application until the application fee is paid.

(b) The renewal fee for certification as a representative of an environmental well contractor is ~~\$75~~ \$100. The commissioner may not renew a certification until the renewal fee is paid.

(c) A certified representative must file an application and a renewal application fee to renew the certification by the date stated in the certification. The renewal application must include information that the certified representative has met continuing education requirements established by the commissioner by rule.

Sec. 19. Minnesota Statutes 2024, section 103I.541, subdivision 4, is amended to read:

Subd. 4. **License renewal.** (a) A person must file an application and a renewal application fee to renew the license by the date stated in the license.

(b) The renewal application fee for an environmental well contractor's license is ~~\$75~~ \$100.

(c) The renewal application must include information that the certified representative of the applicant has met continuing education requirements established by the commissioner by rule.

(d) At the time of the renewal, the commissioner must have on file all well and boring construction reports, well and boring sealing reports, well permits, and notifications for work conducted by the licensed person since the last license renewal.

Sec. 20. Minnesota Statutes 2024, section 103I.545, subdivision 1, is amended to read:

Subdivision 1. **Drilling machine.** (a) A person may not use a drilling machine such as a cable tool, rotary tool, hollow rod tool, or auger for a drilling activity requiring a license under this chapter unless the drilling machine is registered with the commissioner.

(b) A person must apply for the registration on forms prescribed by the commissioner and submit a ~~\$75~~ \$125 registration fee.

(c) A registration is valid for one year.

Sec. 21. Minnesota Statutes 2024, section 103I.545, subdivision 2, is amended to read:

Subd. 2. **Hoist.** (a) A person may not use a machine such as a hoist for an activity requiring a license under this chapter to repair wells or borings, seal wells or borings, or install pumps unless the machine is registered with the commissioner.

(b) A person must apply for the registration on forms prescribed by the commissioner and submit a ~~\$75~~ \$125 registration fee.

(c) A registration is valid for one year.

Sec. 22. Minnesota Statutes 2024, section 103I.601, subdivision 2, is amended to read:

Subd. 2. **License required to make borings.** (a) Except as provided in paragraph (d), a person must not make an exploratory boring without an explorer's license. The fee for an explorer's license is ~~\$75~~ \$100. The explorer's license is valid until the date prescribed in the license by the commissioner.

(b) A person must file an application and renewal application fee to renew the explorer's license by the date stated in the license. The renewal application fee is ~~\$75~~ \$100.

(c) If the licensee submits an application fee after the required renewal date, the licensee:

(1) must include a late fee of \$75; and

(2) may not conduct activities authorized by an explorer's license until the renewal application, renewal application fee, late fee, and sealing reports required in subdivision 9 are submitted.

(d) An explorer must designate a responsible individual to supervise and oversee the making of exploratory borings.

(1) Before an individual supervises or oversees an exploratory boring, the individual must file an application and application fee of ~~\$75~~ \$100 to qualify as a certified responsible individual.

(2) The individual must take and pass an examination relating to construction, location, and sealing of exploratory borings. A professional engineer or geoscientist licensed under sections 326.02 to 326.15 or a professional geologist certified by the American Institute of Professional Geologists is not required to take the examination required in this subdivision, but must be certified as a responsible individual to supervise an exploratory boring.

(3) The individual must file an application and a renewal fee of ~~\$75~~ \$100 to renew the responsible individual's certification by the date stated in the certification. If the certified responsible individual submits an application fee after the renewal date, the certified responsible individual must include a late fee of \$75 and may not supervise or oversee exploratory borings until the renewal application, application fee, and late fee are submitted.

Sec. 23. Minnesota Statutes 2024, section 103I.601, subdivision 4, is amended to read:

Subd. 4. **Notification and map of borings.** (a) By ten days before beginning exploratory boring, an explorer must submit to the commissioner of health a notification of the proposed boring map and a fee of ~~\$275~~ \$325 for each boring constructed.

(b) By ten days before beginning exploratory boring, an explorer must submit to the commissioners of health and natural resources a county road map on a single sheet of paper that is 8-1/2 by 11 inches in size and having a scale of one-half inch equal to one mile, as prepared by the Department of Transportation, or a 7.5 minute series topographic map (1:24,000 scale), as prepared by the United States Geological Survey, showing the location of each proposed exploratory boring to the nearest estimated 40 acre parcel. Exploratory boring that is proposed on the map may not be commenced later than 180 days after submission of the map, unless a new map is submitted.

Sec. 24. **[144.063] DEMENTIA SERVICES PROGRAM ESTABLISHED.**

The commissioner of health shall establish the dementia services program to:

(1) facilitate the coordination and support of:

(i) state-funded policies and programs that relate to Alzheimer's disease and related forms of dementia;
(ii) outreach programs and services between state agencies, local public health departments, Tribal Nations, educational institutions, and community groups for the purpose of fostering public awareness and education regarding Alzheimer's disease and related forms of dementia; and

(iii) services and activities between groups that are interested in dementia research, programs, and services, including area agencies on aging, service providers, advocacy groups, legal services, emergency personnel, law enforcement, local public health departments, Tribal Nations, and state colleges and universities;

(2) facilitate the coordination, review, publication, and implementation of and updates to the Minnesota Dementia Strategic Plan;

(3) use and share data related to the impact of Alzheimer's disease and related forms of dementia in Minnesota to guide statewide action; and

(4) incorporate early detection and risk reduction strategies into existing department-led public health programs.

Sec. 25. Minnesota Statutes 2024, section 144.064, subdivision 3, is amended to read:

Subd. 3. **Commissioner duties.** (a) The commissioner shall make available to health care practitioners, women who may become pregnant, expectant parents, and parents of infants up-to-date and evidence-based information about congenital CMV that has been reviewed by experts with knowledge of the disease. The information shall include the following:

(1) the recommendation to consider testing for congenital CMV if the parent or legal guardian of the infant elected not to have newborn screening performed under section 144.125, the infant failed a newborn hearing screening, or pregnancy history suggests increased risk for congenital CMV infection;

(2) the incidence of CMV;

(3) the transmission of CMV to pregnant women and women who may become pregnant;

(4) birth defects caused by congenital CMV;

(5) available preventative measures to avoid the infection of women who are pregnant or may become pregnant; and

(6) resources available for families of children born with congenital CMV.

(b) The commissioner shall follow existing department practice, inclusive of community engagement, to ensure that the information in paragraph (a) is culturally and linguistically appropriate for all recipients.

(c) The commissioner shall establish an outreach program to:

(1) educate women who may become pregnant, expectant parents, and parents of infants about CMV; and

(2) raise awareness for CMV among health care practitioners.

(d) The Advisory Committee on Heritable and Congenital Disorders established under section 144.1255 shall review congenital CMV for inclusion on the list of tests to be performed under section 144.125. If the committee recommends and the commissioner approves the recommendation of adding congenital CMV to the newborn screening panel, the commissioner shall publish the addition in the State Register and the per specimen fee for screening under section 144.125, subdivision 1, paragraph (c), shall be increased by \$43; ~~for a total of \$220 per specimen,~~ effective upon publication in the State Register.

Sec. 26. Minnesota Statutes 2024, section 144.0758, subdivision 3, is amended to read:

Subd. 3. **Eligible grantees.** (a) Organizations eligible to receive grant funding under this section are Minnesota's Tribal Nations in accordance with paragraph (b) and urban American Indian community-based organizations in accordance with paragraph (c).

(b) Minnesota's Tribal Nations may choose to receive funding under this section according to a noncompetitive funding formula specified by the commissioner.

(c) Urban American Indian community-based organizations are eligible to apply for funding under this section by submitting a proposal for consideration by the commissioner.

Sec. 27. Minnesota Statutes 2024, section 144.1205, subdivision 2, is amended to read:

Subd. 2. **Initial and annual fee.** (a) A licensee must pay an initial fee that is equivalent to the annual fee upon issuance of the initial license.

(b) A licensee must pay an annual fee at least 60 days before the anniversary date of the issuance of the license. The annual fee is as follows:

TYPE	LICENSE FEE
	\$25,896
Academic broad scope - type A, B, or C	<u>\$34,500</u>
	\$31,075
Academic broad scope - type A, B, or C (4-8 locations)	<u>\$41,400</u>
	\$36,254
Academic broad scope - type A, B, or C (9 or more locations)	<u>\$48,300</u>
	\$25,896
Medical broad scope - type A	<u>\$34,500</u>
	\$31,075
Medical broad scope - type A (4-8 locations)	<u>\$41,400</u>
	\$36,254
Medical broad scope - type A (9 or more locations)	<u>\$48,300</u>
Medical - diagnostic, diagnostic and therapeutic, mobile nuclear medicine, eye applicators, high dose rate afterloaders, and medical therapy emerging technologies	<u>\$4,784</u>
	<u>\$6,600</u>

Medical - diagnostic, diagnostic and therapeutic, mobile nuclear medicine, eye applicators, high dose rate afterloaders, and medical therapy emerging technologies (4-8 locations)	\$5,740 <u>\$7,900</u>
Medical - diagnostic, diagnostic and therapeutic, mobile nuclear medicine, eye applicators, high dose rate afterloaders, and medical therapy emerging technologies (9 or more locations)	\$6,697 <u>\$9,200</u>
Teletherapy	\$11,648 <u>\$15,500</u>
Gamma knife	\$11,648 <u>\$15,500</u>
Veterinary medicine	\$2,600 <u>\$3,500</u>
In vitro testing lab	\$2,600 <u>\$3,500</u>
Nuclear pharmacy	\$11,440 <u>\$15,300</u>
Nuclear pharmacy (5 or more locations)	\$13,728 <u>\$18,300</u>
Radiopharmaceutical distribution (10 CFR 32.72)	\$4,992 <u>\$6,700</u>
Radiopharmaceutical processing and distribution (10 CFR 32.72)	\$11,440 <u>\$15,300</u>
Radiopharmaceutical processing and distribution (10 CFR 32.72) (5 or more locations)	\$13,728 <u>\$18,300</u>
Medical sealed sources - distribution (10 CFR 32.74)	\$4,992 <u>\$6,700</u>
Medical sealed sources - processing and distribution (10 CFR 32.74)	\$11,440 <u>\$15,300</u>
Medical sealed sources - processing and distribution (10 CFR 32.74) (5 or more locations)	\$13,728 <u>\$18,300</u>
Well logging - sealed sources	\$4,888 <u>\$6,600</u>
Measuring systems - (fixed gauge, portable gauge, gas chromatograph, other)	\$2,600 <u>\$3,800</u>
Measuring systems - (fixed gauge, portable gauge, gas chromatograph, other) (4-8 locations)	\$3,120 <u>\$4,500</u>

Measuring systems - (fixed gauge, portable gauge, gas chromatograph, other) (9 or more locations)	\$3,640 <u>\$5,200</u>
	\$1,976
X-ray fluorescent analyzer	<u>\$2,700</u>
	\$25,896
Manufacturing and distribution - type A broad scope	<u>\$34,500</u>
	\$31,075
Manufacturing and distribution - type A broad scope (4-8 locations)	<u>\$41,400</u>
	\$36,254
Manufacturing and distribution - type A broad scope (9 or more locations)	<u>\$48,300</u>
	\$22,880
Manufacturing and distribution - type B or C broad scope	<u>\$30,500</u>
	\$27,456
Manufacturing and distribution - type B or C broad scope (4-8 locations)	<u>\$36,600</u>
Manufacturing and distribution - type B or C broad scope (9 or more locations)	\$32,032 <u>\$42,700</u>
	\$6,864
Manufacturing and distribution - other	<u>\$9,200</u>
	\$8,236
Manufacturing and distribution - other (4-8 locations)	<u>\$11,000</u>
	\$9,609
Manufacturing and distribution - other (9 or more locations)	<u>\$12,800</u>
	\$24,232
Nuclear laundry	<u>\$32,300</u>
	\$6,448
Decontamination services	<u>\$8,600</u>
	\$2,600
Leak test services only	<u>\$3,500</u>
	\$2,600
Instrument calibration service only	<u>\$3,500</u>
	\$6,448
Service, maintenance, installation, source changes, etc.	<u>\$8,600</u>
	\$7,800
Waste disposal service, prepackaged only	<u>\$10,400</u>
	\$10,816
Waste disposal	<u>\$14,400</u>

	\$2,288
Distribution - general licensed devices (sealed sources)	<u>\$3,100</u>
	\$1,456
Distribution - general licensed material (unsealed sources)	<u>\$2,000</u>
	\$12,792
Industrial radiography - fixed or temporary location	<u>\$17,200</u>
	\$16,629
Industrial radiography - fixed or temporary location (5 or more locations)	<u>\$22,300</u>
	\$3,744
Irradiators, self-shielding	<u>\$5,000</u>
	\$6,968
Irradiators, other, less than 10,000 curies	<u>\$9,300</u>
	\$12,376
Research and development - type A, B, or C broad scope	<u>\$16,500</u>
	\$14,851
Research and development - type A, B, or C broad scope (4-8 locations)	<u>\$19,800</u>
	\$17,326
Research and development - type A, B, or C broad scope (9 or more locations)	<u>\$23,100</u>
	\$5,824
Research and development - other	<u>\$7,800</u>
	\$2,600
Storage - no operations	<u>\$3,500</u>
	\$759
Source material - shielding	<u>\$1,100</u>
	\$4,784
Special nuclear material plutonium - neutron source in device	<u>\$6,400</u>
	\$4,784
Pacemaker by-product and/or special nuclear material - medical (institution)	<u>\$6,400</u>
	\$6,864
Pacemaker by-product and/or special nuclear material - manufacturing and distribution	<u>\$9,200</u>
	\$4,992
Accelerator-produced radioactive material	<u>\$6,700</u>
	\$500
Nonprofit educational institutions	<u>\$700</u>

Sec. 28. Minnesota Statutes 2024, section 144.1205, subdivision 4, is amended to read:

Subd. 4. **Initial and renewal application fee.** A licensee must pay an initial and a renewal application fee according to this subdivision.

TYPE	APPLICATION FEE
	\$6,808
Academic broad scope - type A, B, or C	<u>\$9,100</u>
	\$4,508
Medical broad scope - type A	<u>\$6,000</u>
Medical - diagnostic, diagnostic and therapeutic, mobile nuclear medicine, eye applicators, high dose rate afterloaders, and medical therapy emerging technologies	\$1,748 <u>\$2,350</u>
	\$6,348
Teletherapy	<u>\$8,450</u>
	\$6,348
Gamma knife	<u>\$8,450</u>
	\$1,104
Veterinary medicine	<u>\$1,500</u>
	\$1,104
In vitro testing lab	<u>\$1,500</u>
	\$5,612
Nuclear pharmacy	<u>\$7,500</u>
	\$2,484
Radiopharmaceutical distribution (10 CFR 32.72)	<u>\$3,350</u>
	\$5,612
Radiopharmaceutical processing and distribution (10 CFR 32.72)	<u>\$7,500</u>
	\$2,484
Medical sealed sources - distribution (10 CFR 32.74)	<u>\$3,350</u>
Medical sealed sources - processing and distribution (10 CFR 32.74)	\$5,612 <u>\$7,500</u>
	\$1,840
Well logging - sealed sources	<u>\$2,450</u>
Measuring systems - (fixed gauge, portable gauge, gas chromatograph, other)	\$1,104 <u>\$1,500</u>
	\$671
X-ray fluorescent analyzer	<u>\$900</u>

	<u>\$6,854</u>
Manufacturing and distribution - type A, B, and C broad scope	<u>\$9,150</u>
	<u>\$2,668</u>
Manufacturing and distribution - other	<u>\$3,550</u>
	<u>\$11,592</u>
Nuclear laundry	<u>\$15,450</u>
	<u>\$3,036</u>
Decontamination services	<u>\$4,050</u>
	<u>\$1,104</u>
Leak test services only	<u>\$1,500</u>
	<u>\$1,104</u>
Instrument calibration service only	<u>\$1,500</u>
	<u>\$3,036</u>
Service, maintenance, installation, source changes, etc.	<u>\$4,050</u>
	<u>\$2,576</u>
Waste disposal service, prepackaged only	<u>\$3,450</u>
	<u>\$1,748</u>
Waste disposal	<u>\$2,350</u>
	<u>\$1,012</u>
Distribution - general licensed devices (sealed sources)	<u>\$1,350</u>
	<u>\$598</u>
Distribution - general licensed material (unsealed sources)	<u>\$800</u>
	<u>\$3,036</u>
Industrial radiography - fixed or temporary location	<u>\$4,050</u>
	<u>\$1,656</u>
Irradiators, self-shielding	<u>\$2,250</u>
	<u>\$3,404</u>
Irradiators, other, less than 10,000 curies	<u>\$4,550</u>
	<u>\$5,704</u>
Research and development - type A, B, or C broad scope	<u>\$7,600</u>
	<u>\$2,760</u>
Research and development - other	<u>\$3,700</u>
	<u>\$1,104</u>
Storage - no operations	<u>\$1,500</u>
	<u>\$156</u>
Source material - shielding	<u>\$250</u>

	\$1,380
Special nuclear material plutonium - neutron source in device	<u>\$1,850</u>
Pacemaker by-product and/or special nuclear material - medical (institution)	\$1,380
	<u>\$1,850</u>
Pacemaker by-product and/or special nuclear material - manufacturing and distribution	\$2,668
	<u>\$3,550</u>
	\$4,715
Accelerator-produced radioactive material	<u>\$6,300</u>
	\$345
Nonprofit educational institutions	<u>\$500</u>

Sec. 29. Minnesota Statutes 2024, section 144.1205, subdivision 8, is amended to read:

Subd. 8. **Reciprocity fee.** A licensee submitting an application for reciprocal recognition of a materials license issued by another agreement state or the United States Nuclear Regulatory Commission for a period of 180 days or less during a calendar year must pay ~~\$2,400~~ \$3,200. For a period of 181 days or more, the licensee must obtain a license under subdivision 4.

Sec. 30. Minnesota Statutes 2024, section 144.1205, subdivision 9, is amended to read:

Subd. 9. **Fees for license amendments.** A licensee must pay a fee of ~~\$600~~ \$800 to amend a license as follows:

(1) to amend a license requiring review including, but not limited to, addition of isotopes, procedure changes, new authorized users, or a new radiation safety officer; or

(2) to amend a license requiring review and a site visit including, but not limited to, facility move or addition of processes.

Sec. 31. Minnesota Statutes 2024, section 144.1205, subdivision 10, is amended to read:

Subd. 10. **Fees for general license registrations.** A person required to register generally licensed devices according to Minnesota Rules, part 4731.3215, must pay an annual registration fee of ~~\$450~~ \$600.

Sec. 32. Minnesota Statutes 2024, section 144.121, subdivision 1a, is amended to read:

Subd. 1a. **Fees for ionizing radiation-producing equipment.** (a) A facility with ionizing radiation-producing equipment and other sources of ionizing radiation must pay an initial or annual renewal registration fee consisting of a base facility fee of ~~\$100~~ \$155 and an additional fee for each x-ray tube, as follows:

(1) medical or veterinary equipment	\$ 100
	<u>130</u>
(2) dental x-ray equipment	\$ 40
	<u>60</u>

(3) x-ray equipment not used on humans or animals	\$ 400 <u>130</u>
(4) devices with sources of ionizing radiation not used on humans or animals	\$ 400 <u>130</u>
(5) security screening system	\$ 400 <u>160</u>
(6) <u>radiation therapy and accelerator x-ray equipment</u>	\$ <u>1,000</u>
(7) <u>industrial accelerator x-ray equipment</u>	\$ <u>300</u>

~~(b) A facility with radiation therapy and accelerator equipment must pay an initial or annual registration fee of \$500. A facility with an industrial accelerator must pay an initial or annual registration fee of \$150.~~

~~(e)~~ (b) Electron microscopy equipment is exempt from the registration fee requirements of this section.

~~(d)~~ (c) For purposes of this section, a security screening system means ionizing radiation-producing equipment designed and used for security screening of humans who are in the custody of a correctional or detention facility, and used by the facility to image and identify contraband items concealed within or on all sides of a human body. For purposes of this section, a correctional or detention facility is a facility licensed under section 241.021 and operated by a state agency or political subdivision charged with detection, enforcement, or incarceration in respect to state criminal and traffic laws. The commissioner shall adopt rules to establish requirements for the use of security screening systems. Notwithstanding section 14.125, the authority to adopt these rules does not expire.

Sec. 33. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision to read:

Subd. 1e. **Fee for service provider of ionizing radiation-producing equipment.** A service provider of ionizing radiation-producing equipment and other sources of ionizing radiation must pay an initial or annual renewal fee of \$115.

Sec. 34. Minnesota Statutes 2024, section 144.121, subdivision 2, is amended to read:

Subd. 2. **Inspections.** Periodic radiation safety inspections of the x-ray equipment and other sources of ionizing radiation shall be made by the commissioner of health. The frequency of safety inspections shall be prescribed by the commissioner ~~on the basis of~~ based on the frequency of radiation exposure risk to occupational and public health from use of the x-ray equipment and other source of ionizing radiation; ~~provided that each source shall be inspected at least once every four years.~~

Sec. 35. Minnesota Statutes 2024, section 144.121, subdivision 5, is amended to read:

Subd. 5. **Examination for individual operating x-ray systems.** (a) An individual in a facility with x-ray systems for use on living humans that is registered under subdivision 1 may not operate, nor may the facility allow the individual to operate, x-ray systems unless the individual has passed a national or state examination.

(b) Individuals who may operate x-ray systems include:

(1) an individual who has passed the American Registry of Radiologic Technologists (ARRT) registry for radiography examination;

(2) an individual who has passed the American Chiropractic Registry of Radiologic Technologists (ACRRT) registry examination and is limited to radiography of spines and extremities;

(3) a registered limited scope x-ray operator and a registered bone densitometry equipment operator who passed the examination requirements in paragraphs (d) and (e) and practices according to subdivision 5a;

(4) an x-ray operator who has the original certificate or the original letter of passing the examination that was required before January 1, 2008, under Minnesota Statutes 2008, section 144.121, subdivision 5a, paragraph (b), clause (1);

(5) an individual who has passed the American Registry of Radiologic Technologists (ARRT) registry for radiation therapy examination according to subdivision 5e;

(6) a cardiovascular technologist according to subdivision 5c;

(7) a nuclear medicine technologist according to subdivision 5d;

(8) an individual who has passed the examination for a dental hygienist under section 150A.06 and only operates dental x-ray systems;

(9) an individual who has passed the examination for a dental therapist under section 150A.06 and only operates dental x-ray systems;

(10) an individual who has passed the examination for a dental assistant under section 150A.06 and only operates dental x-ray systems;

(11) an individual who has passed the examination under Minnesota Rules, part ~~3100.8500, subpart 3~~ 3100.1320, and only operates dental x-ray systems; and

(12) a qualified practitioner who is licensed by a health-related licensing board with active practice authority and is working within the practitioner's scope of practice.

(c) Except for individuals under clauses (3) and (4), an individual who is participating in a training or educational program in any of the occupations listed in paragraph (b) is exempt from the examination requirement within the scope and for the duration of the training or educational program.

(d) The Minnesota examination for limited scope x-ray operators must include:

(1) radiation protection, radiation physics and radiobiology, equipment operation and quality assurance, image acquisition and technical evaluation, and patient interactions and management; and

(2) at least one of the following regions of the human anatomy: chest, extremities, skull and sinus, spine, or podiatry. The examinations must include the anatomy of, and radiographic positions and projections for, the specific regions.

(e) The examination for bone densitometry equipment operators must include:

(1) osteoporosis, bone physiology, bone health and patient education, patient preparation, fundamental principals, biological effects of radiation, units of measurements, radiation protection in bone densitometry,

fundamentals of x-ray production, quality control, measuring bone mineral testing, determining quality in bone mineral testing, file and database management; and

(2) dual x-ray absorptiometry scanning of the lumbar spine, proximal femur, and forearm. The examination must include the anatomy, scan acquisition, and scan analysis for these three procedures.

(f) A limited scope x-ray operator, and a bone densitometry equipment operator, who are required to take an examination under this subdivision must submit to the commissioner a registration application for the examination and a \$25 processing fee. The processing fee shall be deposited in the state treasury and credited to the state government special revenue fund.

Sec. 36. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision to read:

Subd. 10. **Service provider practice; service technician.** (a) A service technician is a service provider who performs one or more of the following, including but not limited to: assembly, installation, calibration, equipment performance evaluation, preventive maintenance, repair, replacement, or disabling of ionizing radiation-producing equipment and other sources of ionizing radiation. A service technician may not perform an equipment performance evaluation on computed tomography, medical cone beam computed tomography, and fluoroscopy equipment.

(b) In order to provide service technician services, a service provider must register with the commissioner as a service technician, meet the applicable requirements in Minnesota Rules, chapter 4732, and pay the fee in subdivision 1e.

Sec. 37. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision to read:

Subd. 11. **Service provider practice; vendor.** (a) A vendor is a service provider who performs one or more of the following services, including but not limited to: sales, leasing, lending, transferring, disposal, or demonstration of ionizing radiation-producing equipment and other sources of ionizing radiation.

(b) In order to provide vendor services, a service provider must register with the commissioner as a vendor, meet the applicable requirements in Minnesota Rules, chapter 4732, and pay the fee in subdivision 1e.

Sec. 38. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision to read:

Subd. 12. **Service provider practice; qualified medical physicist.** (a) A qualified medical physicist is a service provider who provides medical physics services and must be certified in diagnostic medical physics, diagnostic radiological physics, radiological physics, diagnostic imaging physics, or diagnostic radiology physics by the American Board of Radiology, the American Board of Medical Physics, or the Canadian College of Physicists in Medicine.

(b) In order to provide medical physics services a service provider must register with the commissioner as a qualified medical physicist, meet the applicable requirements in Minnesota Rules, chapter 4732, and pay the fee in subdivision 1e.

Sec. 39. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision to read:

Subd. 13. **Service provider practice; qualified expert.** (a) A qualified expert is a service provider who provides expert physics services, and must be certified in the appropriate fields or specialties in which physics services are provided by the American Board of Health Physics, the American Board of Medical

Physics, the American Board of Radiology, the American Board of Science in Nuclear Medicine, or the Canadian College of Physicists in Medicine.

(b) In order to provide health physics services, a service provider must register with the commissioner as a qualified expert, meet the applicable requirements in Minnesota Rules, chapter 4732, and pay the fee in subdivision 1e.

Sec. 40. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision to read:

Subd. 14. **Service provider practice; physicist assistant.** (a) A physicist assistant is a service provider who provides expert physics or medical physics services under the supervision of a qualified expert or a qualified medical physicist and must be deemed competent by a qualified expert or a qualified medical physicist in the appropriate fields or specialties in which services are provided.

(b) In order to provide health physics or medical physics services under the supervision of a qualified expert or a qualified medical physicist, a physicist assistant must register with the commissioner as a physicist assistant, meet the applicable requirements in Minnesota Rules, chapter 4732, and pay the fee under subdivision 1e.

(c) Supervision as used in this subdivision refers to either personal or general supervision of a physicist assistant by a qualified expert or a qualified medical physicist according to Minnesota Rules, chapter 4732.

(d) An individual registered with the commissioner before January 1, 2025, under Minnesota Rules, part 4732.0275, to perform expert physics services independently or medical physics services independently may continue to register and perform these services as a physicist assistant without supervision if the individual:

(1) holds a master's degree from an accredited college or university in medical physics, radiological sciences, or an equivalent field involving graduate study in physics applied to the application of radiation to humans;

(2) has at least two years of full-time practical training or supervised experience under an individual who meets the qualifications under subdivision 12 or 13; and

(3) pays the fee in subdivision 1e.

Sec. 41. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision to read:

Subd. 15. **Service provider compliance.** A service provider registered with the commissioner under Minnesota Rules, chapter 4732, must, upon renewal of registration, comply with the applicable requirements under this section and submit the fee under subdivision 1e.

Sec. 42. Minnesota Statutes 2024, section 144.1215, is amended by adding a subdivision to read:

Subd. 5. **Rulemaking authority.** The commissioner shall adopt rules to implement this section. Notwithstanding section 14.125, the authority to adopt these rules does not expire.

Sec. 43. Minnesota Statutes 2024, section 144.122, is amended to read:

144.122 LICENSE, PERMIT, AND SURVEY FEES.

(a) The state commissioner of health, by rule, may prescribe procedures and fees for filing with the commissioner as prescribed by statute and for the issuance of original and renewal permits, licenses, registrations, and certifications issued under authority of the commissioner. The expiration dates of the various licenses, permits, registrations, and certifications as prescribed by the rules shall be plainly marked thereon. Fees may include application and examination fees and a penalty fee for renewal applications submitted after the expiration date of the previously issued permit, license, registration, and certification. The commissioner may also prescribe, by rule, reduced fees for permits, licenses, registrations, and certifications when the application therefor is submitted during the last three months of the permit, license, registration, or certification period. Fees proposed to be prescribed in the rules shall be first approved by the Department of Management and Budget. All fees proposed to be prescribed in rules shall be reasonable. The fees shall be in an amount so that the total fees collected by the commissioner will, where practical, approximate the cost to the commissioner in administering the program. All fees collected shall be deposited in the state treasury and credited to the state government special revenue fund unless otherwise specifically appropriated by law for specific purposes.

(b) The commissioner may charge a fee for voluntary certification of medical laboratories and environmental laboratories, and for environmental and medical laboratory services provided by the department, without complying with paragraph (a) or chapter 14. Fees charged for environment and medical laboratory services provided by the department must be approximately equal to the costs of providing the services.

(c) The commissioner may develop a schedule of fees for diagnostic evaluations conducted at clinics held by the services for children with disabilities program. All receipts generated by the program are annually appropriated to the commissioner for use in the maternal and child health program.

(d) The commissioner shall set license fees for hospitals and nursing homes that are not boarding care homes at the following levels:

The Joint Commission on Accreditation of Healthcare Organizations (JCAHO) (TJC) and American Osteopathic Association (AOA) hospitals	\$7,655 plus \$16 per bed <u>\$9,524</u>
Non-JCAHO Non-TJC and non-AOA hospitals	\$5,280 <u>\$6,318 plus \$250</u> <u>\$317 per bed</u>
<u>Fees collected per hospital for the Minnesota Adverse Health Care Events Reporting</u>	<u>\$600 plus \$16 per bed</u>
Nursing home	\$183 plus \$91 per bed until June 30, 2018. \$183 plus \$100 per bed between July 1, 2018, and June 30, 2020. \$183 <u>\$238 plus \$105</u> <u>\$142 per bed beginning July 1, 2020.</u>

The commissioner shall set license fees for outpatient surgical centers, boarding care homes, supervised living facilities, assisted living facilities, and assisted living facilities with dementia care at the following levels:

Outpatient surgical centers	\$3,712 <u>\$1,966</u>
<u>Fees collected per outpatient surgical center for the Minnesota Adverse Health Care Events Reporting</u>	<u>\$2,200</u>
Boarding care homes	\$183 <u>\$220</u> plus \$91 <u>\$110</u> per bed
Supervised living facilities	\$183 <u>\$238</u> plus \$91 <u>\$118</u> per bed-
Assisted living facilities with dementia care	\$3,000 plus \$100 <u>\$150</u> per resident-
Assisted living facilities	\$2,000 plus \$75 <u>\$125</u> per resident.

Fees collected under this paragraph are nonrefundable. ~~The fees are nonrefundable even if received before July 1, 2017, for licenses or registrations being issued effective July 1, 2017, or later.~~

(e) Unless prohibited by federal law, the commissioner of health shall charge applicants the following fees to cover the cost of any initial certification surveys required to determine a provider's eligibility to participate in the Medicare or Medicaid program:

Prospective payment surveys for hospitals	\$	900
Swing bed surveys for nursing homes	\$	1,200
Psychiatric hospitals	\$	1,400
Rural health facilities	\$	1,100
Portable x-ray providers	\$	500
Home health agencies	\$	1,800
Outpatient therapy agencies	\$	800
End stage renal dialysis providers	\$	2,100
Independent therapists	\$	800
Comprehensive rehabilitation outpatient facilities	\$	1,200
Hospice providers	\$	1,700
Ambulatory surgical providers	\$	1,800
Hospitals	\$	4,200
Other provider categories or additional resurveys required to complete initial certification	Actual surveyor costs: average surveyor cost x number of hours for the survey process.	

These fees shall be submitted at the time of the application for federal certification and shall not be refunded. All fees collected after the date that the imposition of fees is not prohibited by federal law shall be deposited in the state treasury and credited to the state government special revenue fund.

(f) Notwithstanding section 16A.1283, the commissioner may adjust the fees assessed on assisted living facilities and assisted living facilities with dementia care under paragraph (d), in a revenue-neutral manner in accordance with the requirements of this paragraph:

(1) a facility seeking to renew a license shall pay a renewal fee in an amount that is up to ten percent lower than the applicable fee in paragraph (d) if residents who receive home and community-based waiver services under chapter 256S and section 256B.49 comprise more than 50 percent of the facility's capacity in the calendar year prior to the year in which the renewal application is submitted; and

(2) a facility seeking to renew a license shall pay a renewal fee in an amount that is up to ten percent higher than the applicable fee in paragraph (d) if residents who receive home and community-based waiver services under chapter 256S and section 256B.49 comprise less than 50 percent of the facility's capacity during the calendar year prior to the year in which the renewal application is submitted.

The commissioner may annually adjust the percentages in clauses (1) and (2), to ensure this paragraph is implemented in a revenue-neutral manner. The commissioner shall develop a method for determining capacity thresholds in this paragraph in consultation with the commissioner of human services and must coordinate the administration of this paragraph with the commissioner of human services for purposes of verification.

(g) The commissioner shall charge hospitals an annual licensing base fee of \$1,826 per hospital, plus an additional \$23 per licensed bed or bassinets fee. Revenue shall be deposited to the state government special revenue fund and credited toward trauma hospital designations under sections 144.605 and 144.6071.

Sec. 44. Minnesota Statutes 2024, section 144.1222, subdivision 1a, is amended to read:

Subd. 1a. **Fees.** All plans and specifications for public pool and spa construction, installation, or alteration or requests for a variance that are submitted to the commissioner according to Minnesota Rules, part 4717.3975, shall be accompanied by the appropriate fees. All public pool construction plans submitted for review after January 1, 2009, must be certified by a professional engineer registered in the state of Minnesota. If the commissioner determines, upon review of the plans, that inadequate fees were paid, the necessary additional fees shall be paid before plan approval. For purposes of determining fees, a project is defined as a proposal to construct or install a public pool, spa, special purpose pool, or wading pool and all associated water treatment equipment and drains, gutters, decks, water recreation features, spray pads, and those design and safety features that are within five feet of any pool or spa. Plans submitted less than 30 days prior to construction are subject to an additional late fee equal to 50 percent of the original plan review fee. The commissioner shall charge the following fees for plan review and inspection of public pools and spas and for requests for variance from the public pool and spa rules:

(1) each pool, ~~\$1,500~~ \$1,600;

(2) each spa pool, ~~\$800~~ \$900;

(3) each slide, ~~\$600~~ \$650;

(4) projects valued at \$250,000 or more, the greater of the sum of the fees in clauses (1), (2), and (3) or 0.5 percent of the documented estimated project cost to a maximum fee of \$15,000;

(5) alterations to an existing pool without changing the size or configuration of the pool, ~~\$600~~ \$700;

(6) removal or replacement of pool disinfection equipment only, ~~\$100~~ \$200; and

(7) request for variance from the public pool and spa rules, ~~\$500~~ \$550.

Sec. 45. Minnesota Statutes 2024, section 144.1222, subdivision 2d, is amended to read:

Subd. 2d. ~~Hot tubs~~ **Spa pools on rental houseboats property.** (a) For the purposes of this subdivision, "spa pool" has the meaning given in Minnesota Rules, part 4717.0250, subpart 9.

~~(a)~~ (b) Except as provided in paragraph (c), a ~~hot water~~ spa pool intended for seated recreational use, including a hot tub or whirlpool, that is located on ~~a houseboat that is rented to the public~~ the property of a stand-alone, single-unit rental property, offered for rent by the property owner or through a resort, and that is only intended to be used by the occupants of the rental property:

(1) is not a public pool and;

(2) is exempt from the requirements for public pools under subdivisions 1 to 2c, 4, and 5 and Minnesota Rules, chapter 4717; except as otherwise provided in this paragraph; and

(3) may be used by renters so long as:

(i) the water temperature in the spa pool does not exceed 106 degrees Fahrenheit; and

(ii) prior to check-in by each new rental party, the resort or property owner tests the water in the spa pool for the concentration of chlorine or bromine, pH, and alkalinity, and the water in the spa pool meets the requirements for disinfection residual, pH, and alkalinity in Minnesota Rules, part 4717.1750, subparts 4, 5, and 6.

~~(b)~~ (c) A spa pool intended for seated recreational use, including a hot tub or whirlpool, that is located on a houseboat that is rented to the public:

(1) is not a public pool;

(2) is exempt from the requirements for public pools under subdivisions 1 to 2c, 4, and 5 and Minnesota Rules, chapter 4717; and

(3) is exempt from the requirements under paragraph (b), clause (3).

(d) A political subdivision must not adopt a local law, rule, or ordinance that prohibits the operation of, or establishes additional requirements for, a spa pool that meets the criteria in paragraph (b) or (c).

(e) A ~~hot water~~ spa pool under this subdivision must be conspicuously posted with the following notice and must be provided to renters upon check in:

"NOTICE

This spa is exempt from state and local anti-entrapment and sanitary requirements that prevent disease transmission waterborne diseases such as Legionnaires' disease, Pseudomonas folliculitis (hot tub rash), and chemical burns and is not subject to inspection.

USE AT YOUR OWN RISK

This notice is required under Minnesota Statutes, section 144.1222, subdivision 2d."

Sec. 46. [144.1223] REGISTERED SANITARIANS AND REGISTERED ENVIRONMENTAL HEALTH SPECIALIST APPLICATION FEES.

(a) Fees to be submitted with initial or renewal applications for registration as a sanitarian or environmental health specialist are as follows:

(1) initial application fee, \$55;

(2) biennial renewal application fee, \$55; and

(3) penalty for late submission of renewal application, \$20, if not renewed by designated renewal date.

(b) Additionally, a \$5 technology fee must be paid with the initial registration or registration renewal.

Sec. 47. [144.124] EDUCATION ON RECOGNIZING SIGNS OF PHYSICAL ABUSE IN INFANTS.

Subdivision 1. **Education by health care providers.** Family practice physicians, pediatricians, and other pediatric primary care providers must provide parents and primary caregivers of infants up to six months of age with materials on how to recognize the signs of physical abuse in infants and how to report suspected physical abuse of infants. These materials must be identified and approved by the commissioner of health according to subdivision 2 and must be provided to an infant's parents or primary caregivers at the infant's first well-baby visit after birth.

Subd. 2. **Materials.** The commissioner of health, in consultation with the commissioner of children, youth, and families, must identify, approve, and make available to pediatric primary care providers materials for pediatric primary care providers to use at well-baby visits to educate parents and primary caregivers of infants up to six months of age on recognizing the signs of physical abuse in infants and how to report suspected physical abuse of infants. The commissioner must make these materials available on the Department of Health website.

Sec. 48. Minnesota Statutes 2024, section 144.125, subdivision 1, is amended to read:

Subdivision 1. **Duty to perform testing.** (a) It is the duty of (1) the administrative officer or other person in charge of each institution caring for infants 28 days or less of age, (2) the person required in pursuance of the provisions of section 144.215, to register the birth of a child, or (3) the nurse midwife or midwife in attendance at the birth, to arrange to have administered to every infant or child in its care tests for heritable and congenital disorders according to subdivision 2 and rules prescribed by the state commissioner of health.

(b) Testing, recording of test results, reporting of test results, and follow-up of infants with heritable congenital disorders, including hearing loss detected through the early hearing detection and intervention program in section 144.966, shall be performed at the times and in the manner prescribed by the commissioner of health.

(c) The fee to support the newborn screening program, including tests administered under this section and section 144.966, shall be ~~\$177~~ \$184 per specimen. This fee amount shall be deposited in the state treasury and credited to the state government special revenue fund.

(d) The fee to offset the cost of the support services provided under section 144.966, subdivision 3a, shall be \$15 per specimen. This fee shall be deposited in the state treasury and credited to the general fund.

Sec. 49. Minnesota Statutes 2024, section 144.3831, subdivision 1, is amended to read:

Subdivision 1. **Fee setting.** The commissioner of health may assess an annual fee of ~~\$9.72~~ \$15.22 for every service connection to a public water supply that is owned or operated by a home rule charter city, a statutory city, a city of the first class, or a town. The commissioner of health may also assess an annual fee for every service connection served by a water user district defined in section 110A.02.

Sec. 50. Minnesota Statutes 2024, section 144.55, subdivision 1a, is amended to read:

Subd. 1a. **License fee.** The annual license fee for outpatient surgical centers is ~~\$1,512~~ \$1,966.

Sec. 51. Minnesota Statutes 2024, section 144.554, is amended to read:

144.554 HEALTH FACILITIES CONSTRUCTION PLAN SUBMITTAL AND FEES.

For hospitals, nursing homes, assisted living facilities, boarding care homes, residential hospices, supervised living facilities, freestanding outpatient surgical centers, and end-stage renal disease facilities, the commissioner shall collect a fee for the review and approval of architectural, mechanical, and electrical plans and specifications submitted before construction begins for each project relative to construction of new buildings, additions to existing buildings, or remodeling or alterations of existing buildings. All fees collected in this section shall be deposited in the state treasury and credited to the state government special revenue fund. Fees must be paid at the time of submission of final plans for review and are not refundable. The fee is calculated as follows:

Construction project total estimated cost	Fee
\$0 - \$10,000	\$30 <u>\$45</u>
\$10,001 - \$50,000	\$150 <u>\$225</u>
\$50,001 - \$100,000	\$300 <u>\$450</u>
\$100,001 - \$150,000	\$450 <u>\$675</u>
\$150,001 - \$200,000	\$600 <u>\$900</u>
\$200,001 - \$250,000	\$750 <u>\$1,125</u>
\$250,001 - \$300,000	\$900 <u>\$1,350</u>
\$300,001 - \$350,000	\$1,050 <u>\$1,575</u>
\$350,001 - \$400,000	\$1,200 <u>\$1,800</u>
\$400,001 - \$450,000	\$1,350 <u>\$2,025</u>
\$450,001 - \$500,000	\$1,500 <u>\$2,250</u>
\$500,001 - \$550,000	\$1,650 <u>\$2,475</u>
\$550,001 - \$600,000	\$1,800 <u>\$2,700</u>
\$600,001 - \$650,000	\$1,950 <u>\$2,925</u>
\$650,001 - \$700,000	\$2,100 <u>\$3,150</u>

\$700,001 - \$750,000	\$2,250 <u>\$3,375</u>
\$750,001 - \$800,000	\$2,400 <u>\$3,600</u>
\$800,001 - \$850,000	\$2,550 <u>\$3,825</u>
\$850,001 - \$900,000	\$2,700 <u>\$4,050</u>
\$900,001 - \$950,000	\$2,850 <u>\$4,275</u>
\$950,001 - \$1,000,000	\$3,000 <u>\$4,500</u>
\$1,000,001 - \$1,050,000	\$3,150 <u>\$4,725</u>
\$1,050,001 - \$1,100,000	\$3,300 <u>\$4,950</u>
\$1,100,001 - \$1,150,000	\$3,450 <u>\$5,175</u>
\$1,150,001 - \$1,200,000	\$3,600 <u>\$5,400</u>
\$1,200,001 - \$1,250,000	\$3,750 <u>\$5,625</u>
\$1,250,001 - \$1,300,000	\$3,900 <u>\$5,850</u>
\$1,300,001 - \$1,350,000	\$4,050 <u>\$6,075</u>
\$1,350,001 - \$1,400,000	\$4,200 <u>\$6,300</u>
\$1,400,001 - \$1,450,000	\$4,350 <u>\$6,525</u>
\$1,450,001 - \$1,500,000	\$4,500 <u>\$6,750</u>
\$1,500,001 and over - \$2,000,000	\$4,800 <u>\$7,200</u>
<u>\$2,000,001 - \$3,000,000</u>	<u>\$7,650</u>
<u>\$3,000,001 - \$4,000,000</u>	<u>\$8,100</u>
<u>\$4,000,001 - \$7,000,000</u>	<u>\$8,550</u>
<u>\$7,000,001 - \$15,000,000</u>	<u>\$9,000</u>
<u>\$15,000,001 - \$50,000,000</u>	<u>\$9,450</u>
<u>\$50,000,001 and over</u>	<u>\$9,900</u>

Sec. 52. Minnesota Statutes 2024, section 144.562, subdivision 2, is amended to read:

Subd. 2. **Eligibility for license condition.** (a) A hospital is not eligible to receive a license condition for swing beds unless (1) it either has a licensed bed capacity of less than 50 beds defined in the federal Medicare regulations, Code of Federal Regulations, title 42, section 482.66, or it has a licensed bed capacity of 50 beds or more and has swing beds that were approved for Medicare reimbursement before May 1, 1985, or it has a licensed bed capacity of less than 65 beds and the available nursing homes within 50 miles have had, in the aggregate, an average occupancy rate of 96 percent or higher in the most recent two years as documented on the statistical reports to the Department of Health; and (2) it is located in a rural area as defined in the federal Medicare regulations, Code of Federal Regulations, title 42, section 482.66.

(b) Except for those critical access hospitals established under section 144.1483, clause (9), and section 1820 of the federal Social Security Act, United States Code, title 42, section 1395i-4, that have an attached nursing home or that owned a nursing home located in the same municipality as of May 1, 2005, eligible hospitals are allowed a total number of days of swing bed use per year as provided in paragraph (c). Critical access hospitals that have an attached nursing home or that owned a nursing home located in the same municipality as of May 1, 2005, are allowed swing bed use as provided in federal law. A critical access hospital described in section 144.5621 is allowed an unlimited number of days of swing bed use per year.

(c) An eligible hospital is allowed a total of 3,000 days of swing bed use in calendar year 2020. Beginning in calendar year 2021, and for each subsequent calendar year until calendar year 2027, the total number of days of swing bed use per year is increased by 200 swing bed use days. Beginning in calendar year 2028, an eligible hospital is allowed a total of 4,500 days of swing bed use per year.

(d) Days of swing bed use for medical care that an eligible hospital has determined are charity care shall not count toward the applicable limit in paragraph (b) or (c). For purposes of this paragraph, "charity care" means care that an eligible hospital provided for free or at a discount to persons who cannot afford to pay and for which the eligible hospital did not expect payment.

(e) Days of swing bed use for care of a person who has been denied admission to every Medicare-certified skilled nursing facility within 25 miles of the eligible hospital shall not count toward the applicable limit in paragraphs (b) and (c). Eligible hospitals must maintain documentation that they have contacted each skilled nursing facility within 25 miles to determine if any skilled nursing facility beds are available and if the skilled nursing facilities are willing to admit the patient. Skilled nursing facilities that are contacted must admit the patient or deny admission within 24 hours of being contacted by the eligible hospital. Failure to respond within 24 hours is deemed a denial of admission.

~~(f) Except for critical access hospitals that have an attached nursing home or that owned a nursing home located in the same municipality as of May 1, 2005, the commissioner of health may approve swing bed use beyond 2,000 days as long as there are no Medicare-certified skilled nursing facility beds available within 25 miles of that hospital that are willing to admit the patient and the patient agrees to the referral being sent to the skilled nursing facility. Critical access hospitals exceeding 2,000 swing bed days must maintain documentation that they have contacted skilled nursing facilities within 25 miles to determine if any skilled nursing facility beds are available that are willing to admit the patient and the patient agrees to the referral being sent to the skilled nursing facility. This paragraph expires January 1, 2020.~~

~~(g) After reaching 2,000 days of swing bed use in a year, an eligible hospital to which this limit applies may admit six additional patients to swing beds each year without seeking approval from the commissioner or being in violation of this subdivision. These six swing bed admissions are exempt from the limit of 2,000 annual swing bed days for hospitals subject to this limit. This paragraph expires January 1, 2020.~~

~~(h) A health care system that is in full compliance with this subdivision may allocate its total limit of swing bed days among the hospitals within the system, provided that no hospital in the system without an attached nursing home may exceed 2,000 swing bed days per year. This paragraph expires January 1, 2020.~~

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioners of health and human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 53. Minnesota Statutes 2024, section 144.562, subdivision 3, is amended to read:

Subd. 3. **Approval of license condition.** (a) The commissioner of health shall approve a license condition for swing beds if the hospital meets all of the criteria of this subdivision.

(b) The hospital must meet the eligibility criteria in subdivision 2.

(c) The hospital must be in compliance with the Medicare conditions of participation for swing beds under Code of Federal Regulations, title 42, section 482.66.

(d) Except as provided in section 144.5621, the hospital must agree, in writing, to limit the length of stay of a patient receiving services in a swing bed to not more than 40 days, or the duration of Medicare eligibility, unless the commissioner of health approves a greater length of stay in an emergency situation. To determine whether an emergency situation exists, the commissioner shall require the hospital to provide documentation that continued services in the swing bed are required by the patient; that no skilled nursing facility beds are available within 25 miles from the patient's home, or in some more remote facility of the resident's choice, that can provide the appropriate level of services required by the patient; and that other alternative services are not available to meet the needs of the patient. If the commissioner approves a greater length of stay, the hospital shall develop a plan providing for the discharge of the patient upon the availability of a nursing home bed or other services that meet the needs of the patient. Permission to extend a patient's length of stay must be requested by the hospital at least ten days prior to the end of the maximum length of stay.

(e) Except as provided in section 144.5621, the hospital must agree, in writing, to limit admission to a swing bed only to (1) patients who have been hospitalized and not yet discharged from the facility, or (2) patients who are transferred directly from an acute care hospital.

(f) The hospital must agree, in writing, to report to the commissioner of health by December 1, 1985, and annually thereafter, in a manner required by the commissioner (1) the number of patients readmitted to a swing bed within 60 days of a patient's discharge from the facility, (2) the hospital's charges for care in a swing bed during the reporting period with a description of the care provided for the rate charged, and (3) the number of beds used by the hospital for transitional care and similar subacute inpatient care.

(g) The hospital must agree, in writing, to report statistical data on the utilization of the swing beds on forms supplied by the commissioner. The data must include the number of swing beds, the number of admissions to and discharges from swing beds, Medicare reimbursed patient days, total patient days, and other information required by the commissioner to assess the utilization of swing beds.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioners of health and human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 54. **[144.5621] SWING BED APPROVAL; EXCEPTIONS.**

Subdivision 1. **Swing bed exemption.** (a) The conditions and limitations in section 144.562, paragraphs (d) and (e), do not apply to any hospital located in Cook County that:

(1) is designated as a critical access hospital under section 144.1483, clause (9), and United States Code, title 42, section 1395i-4; and

(2) has an attached nursing home.

(b) Any swing bed located in a hospital described in this section may be used to provide nursing care without requiring a prior hospital stay.

(c) The nursing care provided to a patient in a swing bed is a covered medical assistance service under section 256B.0625, subdivision 2b.

Subd. 2. **Application of the health care bill of rights.** A patient in a swing bed located in a hospital described in this section is a resident of a nursing home for the purposes of section 144.651.

Subd. 3. **Comprehensive resident assessment.** A patient in a swing bed located in a hospital described in this section is a resident of a nursing home for the purposes of Minnesota Rules, part 4658.0400.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioners of health and human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 55. Minnesota Statutes 2024, section 144.563, is amended to read:

144.563 NURSING SERVICES PROVIDED IN A HOSPITAL; PROHIBITED PRACTICES.

A hospital that has been granted a license condition under section 144.562 or 144.5621 must not provide to patients not reimbursed by Medicare or medical assistance the types of services that would be usually and customarily provided and reimbursed under medical assistance or Medicare as services of a skilled nursing facility or intermediate care facility for more than 42 days and only for patients who have been hospitalized and no longer require an acute level of care. Permission to extend a patient's length of stay may be granted by the commissioner if requested by the physician at least ten days prior to the end of the maximum length of stay.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioners of health and human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 56. Minnesota Statutes 2024, section 144.608, subdivision 2, is amended to read:

Subd. 2. **Council administration.** (a) The council must meet at least twice a year but may meet more frequently at the call of the chair, a majority of the council members, or the commissioner.

(b) The terms, compensation, and removal of members of the council are governed by section 15.059. The council expires June 30, ~~2025~~ 2035.

(c) The council may appoint subcommittees and work groups. Subcommittees shall consist of council members. Work groups may include noncouncil members. Noncouncil members shall be compensated for work group activities under section 15.059, subdivision 3, but shall receive expenses only.

Sec. 57. Minnesota Statutes 2024, section 144.615, subdivision 8, is amended to read:

Subd. 8. **Fees.** (a) The biennial license fee for a birth center is ~~\$365~~ \$438.

(b) The temporary license fee is ~~\$365~~ \$438.

(c) Fees shall be collected and deposited according to section 144.122.

Sec. 58. Minnesota Statutes 2024, section 144.966, subdivision 2, as amended by Laws 2025, chapter 20, section 119, is amended to read:

Subd. 2. **Newborn Hearing Screening Advisory Committee.** (a) The commissioner of health shall establish a Newborn Hearing Screening Advisory Committee to advise and assist the Department of Health; Department of Children, Youth, and Families; and the Department of Education in:

(1) developing protocols and timelines for screening, rescreening, and diagnostic audiological assessment and early medical, audiological, and educational intervention services for children who are deaf or hard-of-hearing;

(2) designing protocols for tracking children from birth through age three that may have passed newborn screening but are at risk for delayed or late onset of permanent hearing loss;

(3) designing a technical assistance program to support facilities implementing the screening program and facilities conducting rescreening and diagnostic audiological assessment;

(4) designing implementation and evaluation of a system of follow-up and tracking; and

(5) evaluating program outcomes to increase effectiveness and efficiency and ensure culturally appropriate services for children with a confirmed hearing loss and their families.

(b) The commissioner of health shall appoint at least one member from each of the following groups with no less than two of the members being deaf or hard-of-hearing:

(1) a representative from a consumer organization representing culturally deaf persons;

(2) a parent with a child with hearing loss representing a parent organization;

(3) a consumer from an organization representing oral communication options;

(4) a consumer from an organization representing cued speech communication options;

(5) an audiologist who has experience in evaluation and intervention of infants and young children;

(6) a speech-language pathologist who has experience in evaluation and intervention of infants and young children;

(7) two primary care providers who have experience in the care of infants and young children, one of which shall be a pediatrician;

(8) a representative from the early hearing detection intervention teams;

(9) a representative from the Department of Education resource center for the deaf and hard-of-hearing or the representative's designee;

(10) a representative of the Commission of the Deaf, DeafBlind and Hard of Hearing;

(11) a representative from the Department of Human Services Deaf, DeafBlind, and Hard of Hearing State Services Division;

(12) one or more of the Part C coordinators from the Department of Education; the Department of Health; the Department of Children, Youth, and Families; or the Department of Human Services or the department's designees;

- (13) the Department of Health early hearing detection and intervention coordinators;
- (14) two birth hospital representatives from one rural and one urban hospital;
- (15) a pediatric geneticist;
- (16) an otolaryngologist;
- (17) a representative from the Newborn Screening Advisory Committee under this subdivision;
- (18) a representative of the Department of Education regional low-incidence facilitators;
- (19) a representative from the deaf mentor program; and

(20) a representative of the Minnesota State Academy for the Deaf from the Minnesota State Academies staff.

The commissioner must complete the initial appointments required under this subdivision by September 1, 2007, and the initial appointments under clauses (19) and (20) by September 1, 2019.

(c) The Department of Health member shall chair the first meeting of the committee. At the first meeting, the committee shall elect a chair from its membership. The committee shall meet at the call of the chair, at least four times a year. The committee shall adopt written bylaws to govern its activities. The Department of Health shall provide technical and administrative support services as required by the committee. These services shall include technical support from individuals qualified to administer infant hearing screening, rescreening, and diagnostic audiological assessments.

Members of the committee shall receive no compensation for their service, but shall be reimbursed as provided in section 15.059 for expenses incurred as a result of their duties as members of the committee.

(d) By February 15, 2015, and by February 15 of the odd-numbered years after that date, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and data privacy on the activities of the committee that have occurred during the past two years.

~~(e) This subdivision expires June 30, 2025.~~

EFFECTIVE DATE. This section is effective the day following final enactment or June 30, 2025, whichever is earlier.

Sec. 59. Minnesota Statutes 2024, section 144A.43, is amended by adding a subdivision to read:

Subd. 26a. **Serious injury.** "Serious injury" has the meaning given in section 245.91, subdivision 6.

Sec. 60. Minnesota Statutes 2024, section 144A.474, subdivision 9, is amended to read:

Subd. 9. **Follow-up surveys.** For providers that have Level 3 ~~or~~ Level 4, or Level 5 violations under subdivision 11, the department shall conduct a follow-up survey within 90 calendar days of the survey. When conducting a follow-up survey, the surveyor will focus on whether the previous violations have been corrected and may also address any new violations that are observed while evaluating the corrections that have been made.

Sec. 61. Minnesota Statutes 2024, section 144A.474, subdivision 11, is amended to read:

Subd. 11. **Fines.** (a) Fines and enforcement actions under this subdivision may be assessed based on the level and scope of the violations described in paragraph (b) and imposed immediately with no opportunity to correct the violation first as follows:

(1) Level 1, no fines or enforcement;

(2) Level 2, a fine of \$500 per violation, in addition to any of the enforcement mechanisms authorized in section 144A.475 ~~for widespread violations~~;

(3) Level 3, a fine of ~~\$3,000~~ \$1,000 per incident, in addition to any of the enforcement mechanisms authorized in section 144A.475;

(4) Level 4, a fine of ~~\$5,000~~ \$3,000 per incident, in addition to any of the enforcement mechanisms authorized in section 144A.475;

(5) Level 5, a fine of \$5,000 per violation, in addition to any enforcement mechanism authorized in section 144A.475; and

~~(5) (6)~~ for maltreatment violations for which the licensee was determined to be responsible for the maltreatment under section 626.557, subdivision 9c, paragraph (c), a fine of \$1,000. A fine of \$5,000 may be imposed if the commissioner determines the licensee is responsible for maltreatment consisting of sexual assault, death, or abuse resulting in serious injury; ~~and~~.

~~(6)~~ The fines in clauses (1) to ~~(4)~~ (5) are increased and immediate fine imposition is authorized for both surveys and investigations conducted.

When a fine is assessed against a facility for substantiated maltreatment, the commissioner shall not also impose an immediate fine under this chapter for the same circumstance.

(b) Correction orders for violations are categorized by both level and scope and fines shall be assessed as follows:

(1) level of violation:

(i) Level 1 is a violation that ~~has no potential to cause more than a~~ will cause only minimal impact on the client and does not affect health or safety;

(ii) Level 2 is a violation that did not harm a client's health or safety but had the potential to have harmed a client's health or safety, but was not likely to cause serious injury, impairment, or death;

(iii) Level 3 is a violation that harmed a client's health or safety, ~~not including serious injury, impairment, or death, or a violation that has the potential to lead to serious injury, impairment, or death~~ or a violation that had the potential to cause more than minimal harm to the client; and

(iv) Level 4 is a violation that ~~results in serious injury, impairment, or death~~ harmed a client's health or safety, not including serious injury or death, or a violation that was likely to lead to serious injury or death; and

(v) Level 5 is a violation that results in serious injury or death; and

(2) scope of violation:

(i) isolated, when one or a limited number of clients are affected or one or a limited number of staff are involved or the situation has occurred only occasionally;

(ii) pattern, when more than a limited number of clients are affected, more than a limited number of staff are involved, or the situation has occurred repeatedly but is not found to be pervasive; and

(iii) widespread, when problems are pervasive or represent a systemic failure that has affected or has the potential to affect a large portion or all of the clients.

(c) If the commissioner finds that the applicant or a home care provider has not corrected violations by the date specified in the correction order or conditional license resulting from a survey or complaint investigation, the commissioner shall provide a notice of noncompliance with a correction order by email to the applicant's or provider's last known email address. The noncompliance notice must list the violations not corrected.

(d) For every violation identified by the commissioner, the commissioner shall issue an immediate fine pursuant to paragraph (a), ~~clause (6)~~. The license holder must still correct the violation in the time specified. The issuance of an immediate fine can occur in addition to any enforcement mechanism authorized under section 144A.475. The immediate fine may be appealed as allowed under this subdivision.

(e) The license holder must pay the fines assessed on or before the payment date specified. If the license holder fails to fully comply with the order, the commissioner may issue a second fine or suspend the license until the license holder complies by paying the fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.

(f) A license holder shall promptly notify the commissioner in writing when a violation specified in the order is corrected. If upon reinspection the commissioner determines that a violation has not been corrected as indicated by the order, the commissioner may issue a second fine. The commissioner shall notify the license holder by mail to the last known address in the licensing record that a second fine has been assessed. The license holder may appeal the second fine as provided under this subdivision.

(g) A home care provider that has been assessed a fine under this subdivision has a right to a reconsideration or a hearing under this section and chapter 14.

(h) When a fine has been assessed, the license holder may not avoid payment by closing, selling, or otherwise transferring the licensed program to a third party. In such an event, the license holder shall be liable for payment of the fine.

(i) In addition to any fine imposed under this section, the commissioner may assess a penalty amount based on costs related to an investigation that results in a final order assessing a fine or other enforcement action authorized by this chapter.

(j) Fines collected under paragraph (a), ~~clauses (1) to (4)~~, shall be deposited in a dedicated special revenue account. On an annual basis, the balance in the special revenue account shall be appropriated to the commissioner to implement the recommendations of the advisory council established in section 144A.4799.

~~(k) Fines collected under paragraph (a), clause (5), shall be deposited in a dedicated special revenue account and appropriated to the commissioner to provide compensation according to subdivision 14 to clients subject to maltreatment. A client may choose to receive compensation from this fund, not to exceed \$5,000 for each substantiated finding of maltreatment, or take civil action. This paragraph expires July 31, 2021.~~

Sec. 62. Minnesota Statutes 2024, section 144A.475, subdivision 3, is amended to read:

Subd. 3. **Notice.** (a) Prior to any suspension, revocation, or refusal to renew a license, the home care provider shall be entitled to notice and a hearing as provided by sections 14.57 to 14.69. In addition to any other remedy provided by law, the commissioner may, without a prior contested case hearing, temporarily suspend a license or prohibit delivery of services by a provider for not more than 90 days, or issue a conditional license if the commissioner determines that there are level 3 4 violations that do not pose an imminent risk of harm to the health or safety of persons in the provider's care, provided:

- (1) advance notice is given to the home care provider;
- (2) after notice, the home care provider fails to correct the problem;
- (3) the commissioner has reason to believe that other administrative remedies are not likely to be effective; and
- (4) there is an opportunity for a contested case hearing within the 30 days unless there is an extension granted by an administrative law judge pursuant to subdivision 3b.

(b) If the commissioner determines there are:

- (1) level 4 5 violations; or
 - (2) violations that pose an imminent risk of harm to the health or safety of persons in the provider's care,
- the commissioner may immediately temporarily suspend a license, prohibit delivery of services by a provider, or issue a conditional license without meeting the requirements of paragraph (a), clauses (1) to (4).

For the purposes of this subdivision, "level 3 4" and "level 4 5" have the meanings given in section 144A.474, subdivision 11, paragraph (b).

Sec. 63. Minnesota Statutes 2024, section 144A.475, subdivision 3a, is amended to read:

Subd. 3a. **Hearing.** Within 15 business days of receipt of the licensee's timely appeal of a sanction under this section, other than for a temporary suspension, the commissioner shall request assignment of an administrative law judge. The commissioner's request must include a proposed date, time, and place of hearing. A hearing must be conducted by an administrative law judge pursuant to Minnesota Rules, parts 1400.8505 to 1400.8612, within 90 calendar days of the request for assignment, unless an extension is requested by either party and granted by the administrative law judge for good cause or for purposes of discussing settlement. In no case shall one or more extensions be granted for a total of more than 90 calendar days unless there is a criminal action pending against the licensee. If, while a licensee continues to operate pending an appeal of an order for revocation, suspension, or refusal to renew a license, the commissioner identifies one or more new violations of law that meet the requirements of level 3 4 or 4 5 violations as defined in section 144A.474, subdivision 11, paragraph (b), the commissioner shall act immediately to temporarily suspend the license under the provisions in subdivision 3.

Sec. 64. Minnesota Statutes 2024, section 144A.475, subdivision 3b, is amended to read:

Subd. 3b. **Expedited hearing.** (a) Within five business days of receipt of the license holder's timely appeal of a temporary suspension or issuance of a conditional license, the commissioner shall request assignment of an administrative law judge. The request must include a proposed date, time, and place of a hearing. A hearing must be conducted by an administrative law judge pursuant to Minnesota Rules, parts

1400.8505 to 1400.8612, within 30 calendar days of the request for assignment, unless an extension is requested by either party and granted by the administrative law judge for good cause. The commissioner shall issue a notice of hearing by certified mail or personal service at least ten business days before the hearing. Certified mail to the last known address is sufficient. The scope of the hearing shall be limited solely to the issue of whether the temporary suspension or issuance of a conditional license should remain in effect and whether there is sufficient evidence to conclude that the licensee's actions or failure to comply with applicable laws are level 3 4 or 4 5 violations as defined in section 144A.474, subdivision 11, paragraph (b), or that there were violations that posed an imminent risk of harm to the health and safety of persons in the provider's care.

(b) The administrative law judge shall issue findings of fact, conclusions, and a recommendation within ten business days from the date of hearing. The parties shall have ten calendar days to submit exceptions to the administrative law judge's report. The record shall close at the end of the ten-day period for submission of exceptions. The commissioner's final order shall be issued within ten business days from the close of the record. When an appeal of a temporary immediate suspension or conditional license is withdrawn or dismissed, the commissioner shall issue a final order affirming the temporary immediate suspension or conditional license within ten calendar days of the commissioner's receipt of the withdrawal or dismissal. The license holder is prohibited from operation during the temporary suspension period.

(c) When the final order under paragraph (b) affirms an immediate suspension, and a final licensing sanction is issued under subdivisions 1 and 2 and the licensee appeals that sanction, the licensee is prohibited from operation pending a final commissioner's order after the contested case hearing conducted under chapter 14.

(d) A licensee whose license is temporarily suspended must comply with the requirements for notification and transfer of clients in subdivision 5. These requirements remain if an appeal is requested.

Sec. 65. Minnesota Statutes 2024, section 144A.475, subdivision 3c, is amended to read:

Subd. 3c. **Immediate temporary suspension.** (a) In addition to any other remedies provided by law, the commissioner may, without a prior contested case hearing, immediately temporarily suspend a license or prohibit delivery of services by a provider for not more than 90 days, or issue a conditional license, if the commissioner determines that there are:

(1) level 4 5 violations; or

(2) violations that pose an imminent risk of harm to the health or safety of persons in the provider's care.

(b) For purposes of this subdivision, "level 4 5" has the meaning given in section 144A.474, subdivision 11, paragraph (b).

(c) A notice stating the reasons for the immediate temporary suspension or conditional license and informing the license holder of the right to an expedited hearing under subdivision 3b must be delivered by personal service to the address shown on the application or the last known address of the license holder. The license holder may appeal an order immediately temporarily suspending a license or issuing a conditional license. The appeal must be made in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within five calendar days after the license holder receives notice. If an appeal is made by personal service, it must be received by the commissioner within five calendar days after the license holder received the order.

(d) A license holder whose license is immediately temporarily suspended must comply with the requirements for notification and transfer of clients in subdivision 5. These requirements remain if an appeal is requested.

Sec. 66. Minnesota Statutes 2024, section 144A.71, subdivision 2, is amended to read:

Subd. 2. **Application information and fee.** The commissioner shall establish forms and procedures for processing each supplemental nursing services agency registration application. An application for a supplemental nursing services agency registration must include at least the following:

(1) the names and addresses of all owners and controlling persons of the supplemental nursing services agency;

(2) if the owner is a corporation, copies of its articles of incorporation and current bylaws, together with the names and addresses of its officers and directors;

(3) if the owner is a limited liability company, copies of its articles of organization and operating agreement, together with the names and addresses of its officers and directors;

(4) documentation that the supplemental nursing services agency has medical malpractice insurance to insure against the loss, damage, or expense of a claim arising out of the death or injury of any person as the result of negligence or malpractice in the provision of health care services by the supplemental nursing services agency or by any employee of the agency;

(5) documentation that the supplemental nursing services agency has an employee dishonesty bond in the amount of \$10,000;

(6) documentation that the supplemental nursing services agency has insurance coverage for workers' compensation for all nurses, nursing assistants, nurse aides, and orderlies provided or procured by the agency;

(7) documentation that the supplemental nursing services agency filed with the commissioner of revenue: (i) the name and address of the bank, savings bank, or savings association in which the supplemental nursing services agency deposits all employee income tax withholdings; and (ii) the name and address of any nurse, nursing assistant, nurse aide, or orderly whose income is derived from placement by the agency, if the agency purports the income is not subject to withholding;

(8) any other relevant information that the commissioner determines is necessary to properly evaluate an application for registration;

(9) a policy and procedure that describes how the supplemental nursing services agency's records will be immediately available at all times to the commissioner and facility; and

(10) a nonrefundable registration fee of ~~\$2,035~~ \$2,442.

If a supplemental nursing services agency fails to provide the items in this subdivision to the department, the commissioner shall immediately suspend or refuse to issue the supplemental nursing services agency registration. The supplemental nursing services agency may appeal the commissioner's findings according to section 144A.475, subdivisions 3a and 7, except that the hearing must be conducted by an administrative law judge within 60 calendar days of the request for hearing assignment.

Sec. 67. Minnesota Statutes 2024, section 144A.753, subdivision 1, is amended to read:

Subdivision 1. **License required; application.** (a) A hospice provider may not operate in the state without a valid license issued by the commissioner.

(b) Within ten days after receiving an application for a license, the commissioner shall acknowledge receipt of the application in writing. The acknowledgment must indicate whether the application appears to be complete or whether additional information is required before the application is considered complete. Within 90 days after receiving a complete application, the commissioner shall either grant or deny the license. If an applicant is not granted or denied a license within 90 days after submitting a complete application, the license must be deemed granted. An applicant whose license has been deemed granted must provide written notice to the commissioner before providing hospice care.

(c) Each application for a hospice provider license, or for a renewal of a license, shall be accompanied by a fee as follows:

- (1) for revenues no more than \$25,000, ~~\$125~~ \$150;
- (2) for revenues greater than \$25,000 and no more than \$100,000, ~~\$312.50~~ \$375;
- (3) for revenues greater than \$100,000 and no more than \$250,000, ~~\$625~~ \$750;
- (4) for revenues greater than \$250,000 and no more than \$350,000, ~~\$937.50~~ \$1,125;
- (5) for revenues greater than \$350,000 and no more than \$450,000, ~~\$1,250~~ \$1,500;
- (6) for revenues greater than \$450,000 and no more than \$550,000, ~~\$1,562.50~~ \$1,875;
- (7) for revenues greater than \$550,000 and no more than \$650,000, ~~\$1,875~~ \$2,250;
- (8) for revenues greater than \$650,000 and no more than \$750,000, ~~\$2,187.50~~ \$2,625;
- (9) for revenues greater then \$750,000 and no more than \$850,000, ~~\$2,500~~ \$3,000;
- (10) for revenues greater than \$850,000 and no more than \$950,000, ~~\$2,812.50~~ \$3,375;
- (11) for revenues greater than \$950,000 and no more than \$1,100,000, ~~\$3,125~~ \$3,750;
- (12) for revenues greater than \$1,100,000 and no more than \$1,275,000, ~~\$3,750~~ \$4,500;
- (13) for revenues greater than \$1,275,000 and no more than \$1,500,000, ~~\$4,375~~ \$5,250; and
- (14) for revenues greater than \$1,500,000, ~~\$5,000~~ \$6,000.

Sec. 68. Minnesota Statutes 2024, section 144G.20, subdivision 3, is amended to read:

Subd. 3. **Immediate temporary suspension.** (a) In addition to any other remedies provided by law, the commissioner may, without a prior contested case hearing, immediately temporarily suspend a license or prohibit delivery of housing or services by a facility for not more than 90 calendar days or issue a conditional license, if the commissioner determines that there are:

- (1) Level 4 5 violations; or
- (2) violations that pose an imminent risk of harm to the health or safety of residents.

(b) For purposes of this subdivision, "Level 4 5" has the meaning given in section 144G.31.

(c) A notice stating the reasons for the immediate temporary suspension or conditional license and informing the licensee of the right to an expedited hearing under subdivision 17 must be delivered by personal service to the address shown on the application or the last known address of the licensee. The licensee may appeal an order immediately temporarily suspending a license or issuing a conditional license. The appeal must be made in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within five calendar days after the licensee receives notice. If an appeal is made by personal service, it must be received by the commissioner within five calendar days after the licensee received the order.

(d) A licensee whose license is immediately temporarily suspended must comply with the requirements for notification and transfer of residents in subdivision 15. The requirements in subdivision 9 remain if an appeal is requested.

Sec. 69. Minnesota Statutes 2024, section 144G.20, subdivision 13, is amended to read:

Subd. 13. **Notice to facility.** (a) Prior to any suspension, revocation, or refusal to renew a license, the facility shall be entitled to notice and a hearing as provided by sections 14.57 to 14.69. The hearing must commence within 60 calendar days after the proceedings are initiated. In addition to any other remedy provided by law, the commissioner may, without a prior contested case hearing, temporarily suspend a license or prohibit delivery of services by a provider for not more than 90 calendar days, or issue a conditional license if the commissioner determines that there are Level 3 4 violations that do not pose an imminent risk of harm to the health or safety of the facility residents, provided:

- (1) advance notice is given to the facility;
- (2) after notice, the facility fails to correct the problem;
- (3) the commissioner has reason to believe that other administrative remedies are not likely to be effective; and
- (4) there is an opportunity for a contested case hearing within 30 calendar days unless there is an extension granted by an administrative law judge.

(b) If the commissioner determines there are Level 4 5 violations or violations that pose an imminent risk of harm to the health or safety of the facility residents, the commissioner may immediately temporarily suspend a license, prohibit delivery of services by a facility, or issue a conditional license without meeting the requirements of paragraph (a), clauses (1) to (4).

For the purposes of this subdivision, "Level 3 4" and "Level 4 5" have the meanings given in section 144G.31.

Sec. 70. Minnesota Statutes 2024, section 144G.20, subdivision 16, is amended to read:

Subd. 16. **Hearing.** Within 15 business days of receipt of the licensee's timely appeal of a sanction under this section, other than for a temporary suspension, the commissioner shall request assignment of an administrative law judge. The commissioner's request must include a proposed date, time, and place of hearing. A hearing must be conducted by an administrative law judge pursuant to Minnesota Rules, parts 1400.8505 to 1400.8612, within 90 calendar days of the request for assignment, unless an extension is requested by either party and granted by the administrative law judge for good cause or for purposes of discussing settlement. In no case shall one or more extensions be granted for a total of more than 90 calendar

days unless there is a criminal action pending against the licensee. If, while a licensee continues to operate pending an appeal of an order for revocation, suspension, or refusal to renew a license, the commissioner identifies one or more new violations of law that meet the requirements of Level 3 4 or Level 4 5 violations as defined in section 144G.31, the commissioner shall act immediately to temporarily suspend the license.

Sec. 71. Minnesota Statutes 2024, section 144G.20, subdivision 17, is amended to read:

Subd. 17. **Expedited hearing.** (a) Within five business days of receipt of the licensee's timely appeal of a temporary suspension or issuance of a conditional license, the commissioner shall request assignment of an administrative law judge. The request must include a proposed date, time, and place of a hearing. A hearing must be conducted by an administrative law judge pursuant to Minnesota Rules, parts 1400.8505 to 1400.8612, within 30 calendar days of the request for assignment, unless an extension is requested by either party and granted by the administrative law judge for good cause. The commissioner shall issue a notice of hearing by certified mail or personal service at least ten business days before the hearing. Certified mail to the last known address is sufficient. The scope of the hearing shall be limited solely to the issue of whether the temporary suspension or issuance of a conditional license should remain in effect and whether there is sufficient evidence to conclude that the licensee's actions or failure to comply with applicable laws are Level 3 4 or Level 4 5 violations as defined in section 144G.31, or that there were violations that posed an imminent risk of harm to the resident's health and safety.

(b) The administrative law judge shall issue findings of fact, conclusions, and a recommendation within ten business days from the date of hearing. The parties shall have ten calendar days to submit exceptions to the administrative law judge's report. The record shall close at the end of the ten-day period for submission of exceptions. The commissioner's final order shall be issued within ten business days from the close of the record. When an appeal of a temporary immediate suspension or conditional license is withdrawn or dismissed, the commissioner shall issue a final order affirming the temporary immediate suspension or conditional license within ten calendar days of the commissioner's receipt of the withdrawal or dismissal. The licensee is prohibited from operation during the temporary suspension period.

(c) When the final order under paragraph (b) affirms an immediate suspension, and a final licensing sanction is issued under subdivisions 1 and 2 and the licensee appeals that sanction, the licensee is prohibited from operation pending a final commissioner's order after the contested case hearing conducted under chapter 14.

(d) A licensee whose license is temporarily suspended must comply with the requirements for notification and transfer of residents under subdivision 15. These requirements remain if an appeal is requested.

Sec. 72. Minnesota Statutes 2024, section 144G.30, subdivision 7, is amended to read:

Subd. 7. **Required follow-up surveys.** For assisted living facilities that have Level 3 ~~or~~, Level 4, or Level 5 violations under section 144G.31, the commissioner shall conduct a follow-up survey within 90 calendar days of the survey. When conducting a follow-up survey, the surveyor shall focus on whether the previous violations have been corrected and may also address any new violations that are observed while evaluating the corrections that have been made.

Sec. 73. Minnesota Statutes 2024, section 144G.31, subdivision 2, is amended to read:

Subd. 2. **Levels of violations.** Correction orders for violations are categorized by level as follows:

(1) Level 1 is a violation that ~~has no potential to cause more than a minimal impact on the resident~~ will cause only minimal impact on the resident and does not affect health or safety;

(2) Level 2 is a violation that did not harm a resident's health or safety but had the potential to have harmed a resident's health or safety, but was not likely to cause serious injury, impairment, or death;

(3) Level 3 is a violation that harmed a resident's health or safety, ~~not including serious injury, impairment, or death, or a violation that has the potential to lead to serious injury, impairment, or death~~ or a violation that had the potential to cause more than minimal harm to the resident; and

(4) Level 4 is a violation that ~~results in serious injury, impairment, or death,~~ harmed a resident's health or safety, not including serious injury or death, or a violation that was likely to lead to serious injury or death; and

(5) Level 5 is a violation that results in serious injury or death.

Sec. 74. Minnesota Statutes 2024, section 144G.31, subdivision 4, is amended to read:

Subd. 4. **Fine amounts.** (a) Fines and enforcement actions under this subdivision may be assessed based on the level and scope of the violations described in subdivisions 2 and 3 as follows and may be imposed immediately with no opportunity to correct the violation prior to imposition:

(1) Level 1, no fines or enforcement;

(2) Level 2, a fine of \$500 per violation, in addition to any enforcement mechanism authorized in section 144G.20 ~~for widespread violations;~~

(3) Level 3, a fine of ~~\$3,000~~ \$1,000 per violation, in addition to any enforcement mechanism authorized in section 144G.20;

(4) Level 4, a fine of ~~\$5,000~~ \$3,000 per violation, in addition to any enforcement mechanism authorized in section 144G.20; ~~and~~

(5) Level 5, a fine of \$5,000 per violation, in addition to any enforcement mechanism authorized in section 144G.20; and

~~(5)~~ (6) for maltreatment violations for which the licensee was determined to be responsible for the maltreatment under section 626.557, subdivision 9c, paragraph (c), a fine of \$1,000 per incident. A fine of \$5,000 per incident may be imposed if the commissioner determines the licensee is responsible for maltreatment consisting of sexual assault, death, or abuse resulting in serious injury.

(b) When a fine is assessed against a facility for substantiated maltreatment, the commissioner shall not also impose an immediate fine under this chapter for the same circumstance.

Sec. 75. Minnesota Statutes 2024, section 144G.31, subdivision 5, is amended to read:

Subd. 5. **Immediate fine; payment.** (a) For every Level 3 ~~or~~ Level 4, or Level 5 violation, the commissioner may issue an immediate fine. The licensee must still correct the violation in the time specified. The issuance of an immediate fine may occur in addition to any enforcement mechanism authorized under section 144G.20. The immediate fine may be appealed as allowed under this chapter.

(b) The licensee must pay the fines assessed on or before the payment date specified. If the licensee fails to fully comply with the order, the commissioner may issue a second fine or suspend the license until the

licensee complies by paying the fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.

(c) A licensee shall promptly notify the commissioner in writing when a violation specified in the order is corrected. If upon reinspection the commissioner determines that a violation has not been corrected as indicated by the order, the commissioner may issue an additional fine. The commissioner shall notify the licensee by mail to the last known address in the licensing record that a second fine has been assessed. The licensee may appeal the second fine as provided under this subdivision.

(d) A facility that has been assessed a fine under this section has a right to a reconsideration or hearing under this chapter and chapter 14.

Sec. 76. Minnesota Statutes 2024, section 144G.45, subdivision 6, is amended to read:

Subd. 6. **New construction; plans.** (a) For all new licensure and construction beginning on or after August 1, 2021, the following must be provided to the commissioner:

(1) architectural and engineering plans and specifications for new construction must be prepared and signed by architects and engineers who are registered in Minnesota. Final working drawings and specifications for proposed construction must be submitted to the commissioner for review and approval;

(2) final architectural plans and specifications must include elevations and sections through the building showing types of construction, and must indicate dimensions and assignments of rooms and areas, room finishes, door types and hardware, elevations and details of nurses' work areas, utility rooms, toilet and bathing areas, and large-scale layouts of dietary and laundry areas. Plans must show the location of fixed equipment and sections and details of elevators, chutes, and other conveying systems. Fire walls and smoke partitions must be indicated. The roof plan must show all mechanical installations. The site plan must indicate the proposed and existing buildings, topography, roadways, walks and utility service lines; and

(3) final mechanical and electrical plans and specifications must address the complete layout and type of all installations, systems, and equipment to be provided. Heating plans must include heating elements, piping, thermostatic controls, pumps, tanks, heat exchangers, boilers, breeching, and accessories. Ventilation plans must include room air quantities, ducts, fire and smoke dampers, exhaust fans, humidifiers, and air handling units. Plumbing plans must include the fixtures and equipment fixture schedule; water supply and circulating piping, pumps, tanks, riser diagrams, and building drains; the size, location, and elevation of water and sewer services; and the building fire protection systems. Electrical plans must include fixtures and equipment, receptacles, switches, power outlets, circuits, power and light panels, transformers, and service feeders. Plans must show location of nurse call signals, cable lines, fire alarm stations, and fire detectors and emergency lighting.

(b) Unless construction is begun within one year after approval of the final working drawing and specifications, the drawings must be resubmitted for review and approval.

(c) The commissioner must be notified within 30 days before completion of construction so that the commissioner can make arrangements for a final inspection by the commissioner.

(d) At least one set of complete life safety plans, including changes resulting from remodeling or alterations, must be kept on file in the facility.

(e) For new construction beginning on or after July 1, 2025, the licensee must comply with section 144.554 to submit applicable construction plans and fees to the commissioner.

Sec. 77. Minnesota Statutes 2024, section 145.8811, is amended to read:

145.8811 MATERNAL AND CHILD HEALTH ADVISORY ~~TASK-FORCE~~ COMMITTEE.

Subdivision 1. **Composition of ~~task-force~~ committee.** The commissioner shall establish and appoint a Maternal and Child Health Advisory ~~Task-Force~~ Committee consisting of 15 members who will provide equal representation from:

- (1) professionals with expertise in maternal and child health services;
- (2) representatives of community health boards as defined in section 145A.02, subdivision 5; and
- (3) consumer representatives interested in the health of mothers and children.

No members shall be employees of the Minnesota Department of Health. Section 15.059 governs the Maternal and Child Health Advisory ~~Task-Force~~ Committee. Notwithstanding section 15.059, the Maternal and Child Health Advisory ~~Task-Force~~ Committee does not expire.

Subd. 2. **Duties.** The advisory ~~task-force~~ committee shall meet on a regular basis to perform the following duties:

- (1) review and report on the health care needs of mothers and children throughout the state of Minnesota;
- (2) review and report on the type, frequency, and impact of maternal and child health care services provided to mothers and children under existing maternal and child health care programs, including programs administered by the commissioner of health;
- (3) establish, review, and report to the commissioner a list of program guidelines and criteria ~~which~~ the advisory ~~task-force~~ committee considers essential to providing an effective maternal and child health care program to low-income populations and high-risk persons and fulfilling the purposes defined in section 145.88;
- (4) make recommendations to the commissioner for the use of other federal and state funds available to meet maternal and child health needs;
- (5) make recommendations to the commissioner of health on priorities for funding the following maternal and child health services:
 - (i) prenatal, delivery, and postpartum care;
 - (ii) comprehensive health care for children, especially from birth through five years of age;
 - (iii) adolescent health services;
 - (iv) family planning services;
 - (v) preventive dental care;
 - (vi) special services for chronically ill and disabled children; and
 - (vii) any other services that promote the health of mothers and children; and
- (6) establish in consultation with the commissioner statewide outcomes that will improve the health status of mothers and children.

Sec. 78. [145.9231] EPILEPSY AND RELATED SEIZURE DISORDERS; DATA COLLECTION AND STATE COORDINATION PLAN.

Subdivision 1. **Data collection.** The commissioner of health must collect, analyze, and report data on epilepsy and related seizure disorders in Minnesota. The data must include number of diagnoses, clinical outcomes, mortality rates, and related population health data for each calendar year. Deidentified data must be made publicly available.

Subd. 2. **State coordination plan.** The commissioner of health must use the data on epilepsy and seizure disorders to inform statewide efforts and build coordinated systems and partnerships to support community-led and culturally responsive strategies to ensure that Minnesotans at risk for or living with epilepsy and seizure disorders and their caregivers have equitable access to opportunities and resources to support their well-being and quality of life. The commissioner of health must use the data to identify areas of need and recommend strategies to address gaps.

Sec. 79. Minnesota Statutes 2024, section 145.9269, subdivision 2, is amended to read:

Subd. 2. **Allocation of subsidies.** The commissioner of health shall distribute subsidies to federally qualified health centers operating in Minnesota to continue, expand, and improve federally qualified health center services to low-income populations. The commissioner shall distribute the funds appropriated under this section to federally qualified health centers operating in Minnesota as of January 1, 2007. The amount of each subsidy shall be in proportion to each federally qualified health center's amount of discounts granted to patients during the most recent calendar year as reported on the federal Uniform Data System report in conformance with the Bureau of Primary Health Care Program Expectations Policy Information Notice 98-23, except that each eligible federally qualified health center shall receive at least ~~two~~ five percent but no more than 30 percent of the total amount of money available under this section.

Sec. 80. Minnesota Statutes 2024, section 157.16, subdivision 2, is amended to read:

Subd. 2. **License renewal.** Initial and renewal licenses for all food and beverage service establishments, youth camps, hotels, motels, lodging establishments, public pools, and resorts shall be issued on an annual basis. Any person who operates a place of business after the expiration date of a license or without having submitted an application and paid the fee shall be deemed to have violated the provisions of this chapter and shall be subject to enforcement action, as provided in the Health Enforcement Consolidation Act, sections 144.989 to 144.993. In addition, a penalty of ~~\$60~~ \$100 shall be added to the total of the license fee for any food and beverage service establishment operating without a license as a mobile food unit, a seasonal temporary or seasonal permanent food stand, or a special event food stand, and a penalty of ~~\$120~~ \$200 shall be added to the total of the license fee for all restaurants, food carts, hotels, motels, lodging establishments, youth camps, public pools, and resorts operating without a license for a period of up to 30 days. A late fee of ~~\$360~~ \$450 shall be added to the license fee for establishments operating more than 30 days without a license.

Sec. 81. Minnesota Statutes 2024, section 157.16, subdivision 2a, is amended to read:

Subd. 2a. **Food manager certification.** An applicant for certification or certification renewal as a food manager must submit to the commissioner a ~~\$35~~ \$45 nonrefundable certification fee payable to the Department of Health. The commissioner shall issue a duplicate certificate to replace a lost, destroyed, or mutilated certificate if the applicant submits a completed application on a form provided by the commissioner for a duplicate certificate and pays ~~\$20~~ \$25 to the department for the cost of duplication. In addition, a \$5

technology fee must be paid with the initial certification, certification renewal, or duplicate certificate application.

Sec. 82. Minnesota Statutes 2024, section 157.16, subdivision 3, is amended to read:

Subd. 3. **Establishment fees; definitions.** (a) The following fees are required for food and beverage service establishments, youth camps, hotels, motels, lodging establishments, public pools, and resorts licensed under this chapter. Food and beverage service establishments must pay the highest applicable fee under paragraph (d), clause (1), (2), (3), or (4). The license fee for new operators previously licensed under this chapter for the same calendar year is one-half of the appropriate annual license fee, plus any penalty that may be required. The license fee for operators opening on or after October 1 is one-half of the appropriate annual license fee, plus any penalty that may be required.

(b) All food and beverage service establishments, except special event food stands, and all hotels, motels, lodging establishments, public pools, and resorts shall pay an annual base fee of ~~\$165~~ \$300.

(c) A special event food stand shall pay a flat fee of ~~\$55~~ \$75 annually. "Special event food stand" means a fee category where food is prepared or served in conjunction with celebrations, county fairs, or special events from a special event food stand as defined in section 157.15.

(d) In addition to the base fee in paragraph (b), each food and beverage service establishment, other than a special event food stand and a school concession stand, and each hotel, motel, lodging establishment, public pool, and resort shall pay an additional annual fee for each fee category, additional food service, or required additional inspection specified in this paragraph:

(1) Category 1 establishment, ~~\$110~~ \$185. "Category 1 establishment" means a fee category that provides one or more of the following items or is one of the listed establishments or facilities:

- (i) serves prepackaged food that is served in the package;
- (ii) serves a continental breakfast such as rolls, coffee, juice, milk, and cold cereal;
- (iii) serves soft drinks, coffee, or nonalcoholic beverages;
- (iv) provides cleaning for eating, drinking, or cooking utensils, when the only food served is prepared off site;
- (v) a food establishment where the method of food preparation meets the definition of a low-risk establishment in section 157.20; or
- (vi) operates as a child care facility licensed under section 142B.05 and Minnesota Rules, chapter 9503.

(2) Category 2 establishment, ~~\$245~~ \$430. "Category 2 establishment" means an establishment that is not a Category 1 establishment and is either:

- (i) a food establishment where the method of food preparation meets the definition of a medium-risk establishment in section 157.20; or
- (ii) an elementary or secondary school as defined in section 120A.05.

(3) Category 3 establishment, ~~\$385~~ \$670. "Category 3 establishment" means an establishment that is not a Category 1 or Category 2 establishment and is either:

(i) a food establishment where the method of food preparation meets the definition of a high-risk establishment in section 157.20; or

(ii) an establishment where 500 or more meals are prepared per day and served at one or more separate locations.

(4) Other food and beverage service, including food carts, mobile food units, seasonal temporary food stands, and seasonal permanent food stands, ~~\$85~~ \$150.

(5) Lodging per sleeping accommodation unit, ~~\$11~~ \$15, including hotels, motels, lodging establishments, and resorts, up to a maximum of ~~\$1,100~~ \$1,500. "Lodging per sleeping accommodation unit" means a fee category including the number of guest rooms, cottages, or other rental units of a hotel, motel, lodging establishment, or resort; or the number of beds in a dormitory.

(6) First public pool, ~~\$355~~ \$455; each additional public pool, ~~\$200~~ \$300. "Public pool" means a fee category that has the meaning given in section 144.1222, subdivision 4.

(7) First spa, ~~\$200~~ \$300; each additional spa, ~~\$110~~ \$200. "Spa pool" means a fee category that has the meaning given in Minnesota Rules, part 4717.0250, subpart 9.

(8) Private sewer or water, ~~\$60~~ \$85. "Individual private water" means a fee category with a water supply other than a community public water supply as defined in Minnesota Rules, chapter 4720. "Individual private sewer" means a fee category with an individual sewage treatment system which uses subsurface treatment and disposal.

(9) Additional food service, ~~\$175~~ \$250. "Additional food service" means a location at a food service establishment, other than the primary food preparation and service area, used to prepare or serve beverages or food to the public. Additional food service does not apply to school concession stands.

(10) Additional inspection fee, ~~\$250~~ \$350. "Additional inspection fee" means a fee to conduct the second inspection each year for elementary and secondary education facility school lunch programs when required by the Richard B. Russell National School Lunch Act.

(11) HACCP verification, ~~\$175~~ \$225. "HACCP verification" means an annual fee category for a business that performs one or more specialized process that requires an HACCP plan as required in chapter 31 and Minnesota Rules, chapter 4626.

(e) A fee for review of construction plans must accompany the initial license application for restaurants, hotels, motels, lodging establishments, resorts, seasonal food stands, and mobile food units. Plans submitted less than 30 days prior to construction are subject to an additional late fee equal to 50 percent of the original plan review fee. A fee for review of an HACCP plan for specialized processing must be submitted and approved prior to preparing and serving the specialized processed food for human consumption. The fees for construction plan reviews and HACCP plan reviews are as follows:

Service Area	Type	Fee
Food	category 1 establishment	\$400 <u>\$550</u>
	category 2 establishment	\$450 <u>\$750</u>
	category 3 food establishment	\$500 <u>\$800</u>
	additional food service	\$250 <u>\$400</u>

	HACCP Plan Review	\$500 <u>\$600</u>
Transient food service	food cart	\$250 <u>\$500</u>
	seasonal permanent food stand	\$250 <u>\$500</u>
	seasonal temporary food stand	\$250 <u>\$500</u>
	mobile food unit	\$350 <u>\$700</u>
Lodging	less than 25 rooms	\$375 <u>\$450</u>
	25 to less than 100 rooms	\$400 <u>\$500</u>
	100 rooms or more	\$500 <u>\$600</u>
	less than five cabins	\$350 <u>\$400</u>
	five to less than ten cabins	\$400 <u>\$450</u>
	ten cabins or more	\$450 <u>\$500</u>

(f) When existing food and beverage service establishments, hotels, motels, lodging establishments, resorts, seasonal food stands, and mobile food units are extensively remodeled, a fee must be submitted with the remodeling plans. The fee for this construction plan review is as follows:

Service Area	Type	Fee
Food	category 1 establishment	\$300 <u>\$450</u>
	category 2 establishment	\$350 <u>\$500</u>
	category 3 establishment	\$400 <u>\$550</u>
	additional food service	\$250 <u>\$400</u>
Transient food service	food cart	\$250 <u>\$400</u>
	seasonal permanent food stand	\$250 <u>\$400</u>
	seasonal temporary food stand	\$250 <u>\$400</u>
	mobile food unit	\$250 <u>\$400</u>
Lodging	less than 25 rooms	\$250 <u>\$300</u>
	25 to less than 100 rooms	\$300 <u>\$350</u>
	100 rooms or more	\$450 <u>\$500</u>
	less than five cabins	\$250 <u>\$300</u>
	five to less than ten cabins	\$350 <u>\$400</u>
	ten cabins or more	\$400 <u>\$450</u>

(g) Special event food stands are not required to submit construction or remodeling plans for review.

(h) Youth camps shall pay an annual single fee for food and lodging as follows:

- (1) camps with up to 99 campers, ~~\$325~~ \$375;
- (2) camps with 100 to 199 campers, ~~\$550~~ \$600; and
- (3) camps with 200 or more campers, ~~\$750~~ \$800.

(i) A youth camp which pays fees under paragraph (d) is not required to pay fees under paragraph (h).

Sec. 83. Minnesota Statutes 2024, section 157.16, subdivision 3a, is amended to read:

Subd. 3a. **Statewide hospitality fee.** Every person, firm, or corporation that operates a licensed boarding establishment, food and beverage service establishment, seasonal temporary or permanent food stand, special event food stand, mobile food unit, food cart, resort, hotel, motel, or lodging establishment in Minnesota must submit to the commissioner a ~~\$40~~ \$50 annual statewide hospitality fee for each licensed activity. The fee for establishments licensed by the Department of Health is required at the same time the licensure fee is due. For establishments licensed by local governments, the fee is due by July 1 of each year.

Sec. 84. Minnesota Statutes 2024, section 157.16, is amended by adding a subdivision to read:

Subd. 3b. **Technology fee.** Every food and beverage service establishment, youth camp, hotel, motel, lodging establishment, public pool, and resort licensed under this chapter must pay a \$5 technology fee for each licensed activity for the initial license and with each renewal.

Sec. 85. Minnesota Statutes 2024, section 256B.0625, subdivision 2, is amended to read:

Subd. 2. **Skilled and intermediate nursing care.** ~~(a) Medical assistance covers skilled nursing home services and services of intermediate care facilities, including training and habilitation services, as defined in section 252.41, subdivision 3, for persons with developmental disabilities who are residing in intermediate care facilities for persons with developmental disabilities. Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 144.562, unless (1) the facility in which the swing bed is located is eligible as a sole community provider, as defined in Code of Federal Regulations, title 42, section 412.92, or the facility is a public hospital owned by a governmental entity with 15 or fewer licensed acute care beds; (2) the Centers for Medicare and Medicaid Services approves the necessary state plan amendments; (3) the patient was screened as provided by law; (4) the patient no longer requires acute care services; and (5) no nursing home beds are available within 25 miles of the facility. The commissioner shall exempt a facility from compliance with the sole community provider requirement in clause (1) if, as of January 1, 2004, the facility had an agreement with the commissioner to provide medical assistance swing bed services.~~

~~(b) Medical assistance also covers up to ten days of nursing care provided to a patient in a swing bed if: (1) the patient's physician, advanced practice registered nurse, or physician assistant certifies that the patient has a terminal illness or condition that is likely to result in death within 30 days and that moving the patient would not be in the best interests of the patient and patient's family; (2) no open nursing home beds are available within 25 miles of the facility; and (3) no open beds are available in any Medicare hospice program within 50 miles of the facility. The daily medical assistance payment for nursing care for the patient in the swing bed is the statewide average medical assistance skilled nursing care per diem as computed annually by the commissioner on July 1 of each year.~~

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioners of health and human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 86. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision to read:

Subd. 2b. **Nursing care provided to a patient in a swing bed.** (a) Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 144.562, unless:

(1) the facility in which the swing bed is located is eligible as a sole community provider, as defined in Code of Federal Regulations, title 42, section 412.92, or the facility is a public hospital owned by a governmental entity with 25 or fewer licensed acute care beds;

(2) the Centers for Medicare and Medicaid Services approves the necessary state plan amendments;

(3) the patient was screened as provided by law;

(4) the patient no longer requires acute care services; and

(5) no nursing home beds are available within 25 miles of the facility.

(b) The commissioner shall exempt a facility from compliance with the sole community provider requirement in paragraph (a), clause (1), if, as of January 1, 2004, the facility had an agreement with the commissioner to provide medical assistance swing bed services.

(c) Medical assistance also covers up to ten days of nursing care provided to a patient in a swing bed if:

(1) the patient's physician, advanced practice registered nurse, or physician assistant certifies that the patient has a terminal illness or condition that is likely to result in death within 30 days and that moving the patient would not be in the best interests of the patient and patient's family;

(2) no open nursing home beds are available within 25 miles of the facility; and

(3) no open beds are available in any Medicare hospice program within 50 miles of the facility.

(d) The commissioner shall exempt any facility described under section 144.5621 from compliance with the requirements of paragraph (a), clauses (3) and (5), and paragraph (c), and medical assistance covers an unlimited number of days of nursing care provided to a patient in a swing bed at a facility described under section 144.5621.

(e) The daily medical assistance payment for nursing care for the patient in the swing bed is the statewide average medical assistance skilled nursing care per diem as computed annually by the commissioner on July 1 of each year.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioners of health and human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 87. Minnesota Statutes 2024, section 256B.692, subdivision 2, is amended to read:

Subd. 2. **Duties of commissioner of health.** (a) Notwithstanding chapters 62D and 62N, a county that elects to purchase medical assistance in return for a fixed sum without regard to the frequency or extent of

services furnished to any particular enrollee is not required to obtain a certificate of authority under chapter 62D or 62N. The county board of commissioners is the governing body of a county-based purchasing program. In a multicounty arrangement, the governing body is a joint powers board established under section 471.59.

(b) A county that elects to purchase medical assistance services under this section must satisfy the commissioner of health that the requirements for assurance of consumer protection, provider protection, and fiscal solvency of chapter 62D, applicable to health maintenance organizations will be met according to the following schedule:

(1) for a county-based purchasing plan approved on or before June 30, 2008, the plan must have in reserve:

- (i) at least 50 percent of the minimum amount required under chapter 62D as of January 1, 2010;
- (ii) at least 75 percent of the minimum amount required under chapter 62D as of January 1, 2011;
- (iii) at least 87.5 percent of the minimum amount required under chapter 62D as of January 1, 2012; and
- (iv) at least 100 percent of the minimum amount required under chapter 62D as of January 1, 2013; and

(2) for a county-based purchasing plan first approved after June 30, 2008, the plan must have in reserve:

- (i) at least 50 percent of the minimum amount required under chapter 62D at the time the plan begins enrolling enrollees;
- (ii) at least 75 percent of the minimum amount required under chapter 62D after the first full calendar year;
- (iii) at least 87.5 percent of the minimum amount required under chapter 62D after the second full calendar year; and
- (iv) at least 100 percent of the minimum amount required under chapter 62D after the third full calendar year.

(c) Until a plan is required to have reserves equaling at least 100 percent of the minimum amount required under chapter 62D, the plan may demonstrate its ability to cover any losses by satisfying the requirements of chapter 62N. A county-based purchasing plan must also assure the commissioner of health that the requirements of sections 62J.041; 62J.48; 62J.71 to 62J.73; all applicable provisions of chapter 62Q, including sections 62Q.075; 62Q.1055; 62Q.106; 62Q.12; 62Q.135; 62Q.14; 62Q.19; 62Q.23, paragraph (c); 62Q.43; 62Q.47; 62Q.50; 62Q.52 to 62Q.56; 62Q.58; 62Q.68 to 62Q.72; and 72A.201 will be met.

(d) All enforcement and rulemaking powers available under chapters 62D, 62J, 62N, and 62Q are hereby granted to the commissioner of health with respect to counties that purchase medical assistance services under this section.

(e) The commissioner, in consultation with county government, shall develop administrative and financial reporting requirements for county-based purchasing programs relating to sections 62D.041, 62D.042, 62D.045, 62D.08, 62N.28, 62N.29, and 62N.31, and other sections as necessary, that are specific to county administrative, accounting, and reporting systems and consistent with other statutory requirements of counties.

(f) The commissioner shall collect from a county-based purchasing plan under this section the following fees:

(1) fees attributable to the costs of audits and other examinations of plan financial operations. These fees are subject to the provisions of Minnesota Rules, part 4685.2800, subpart 1, item F; and

(2) an annual fee of ~~\$21,500~~ \$30,000, to be paid by June 15 of each calendar year.

All fees collected under this paragraph shall be deposited in the state government special revenue fund.

Sec. 88. Minnesota Statutes 2024, section 256R.01, is amended by adding a subdivision to read:

Subd. 1a. **Payment rates for nursing care provided to a patient in a swing bed.** Payment rates paid to any hospital for nursing care provided to a patient in a swing bed must be those rates established pursuant section 256B.0625, subdivision 2b.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioners of health and human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 89. Minnesota Statutes 2024, section 326.72, subdivision 1, is amended to read:

~~Subdivision 1. **When license required.** A person within the state intending to directly perform or cause to be performed through subcontracting or similar delegation any asbestos-related work either for financial gain or with respect to the person's own property shall first apply for and obtain a license from the commissioner. The license shall be in writing, be dated when issued, contain an expiration date, be signed by the commissioner, and give the name and address of the person to whom it is issued.~~

~~The domiciled owner of a single family residence is not required to hold a license or pay a project permit fee to conduct asbestos-related work in the domiciled residence.~~

Any person performing any asbestos-related work within the state must be licensed by the commissioner, whether directly performing asbestos work or causing it to be performed through subcontracting or similar delegation. A domiciled owner of a single-family residence is not required to hold a license or pay a project permit fee to conduct asbestos-related work in the domiciled residence.

Sec. 90. Minnesota Statutes 2024, section 326.75, subdivision 3, is amended to read:

Subd. 3. **Permit fee.** Five calendar days before beginning asbestos-related work, a person shall pay a project permit fee to the commissioner equal to ~~two~~ three percent of the total costs of the asbestos-related work. For asbestos-related work performed in single or multifamily residences, of greater than ten but less than 260 linear feet of asbestos-containing material on pipes, or greater than six but less than 160 square feet of asbestos-containing material on other facility components, a person shall pay a project permit fee of \$35 to the commissioner.

Sec. 91. Minnesota Statutes 2024, section 326.75, subdivision 3a, is amended to read:

~~Subd. 3a. **Asbestos-related training course permit fee.** The commissioner shall establish by rule a permit fee to be paid by~~ A training course provider shall pay the commissioner a fee of \$500 on application for a training course permit ~~or~~ and \$250 for the renewal of a permit of each asbestos-related training course required for certification or registration.

Sec. 92. Minnesota Statutes 2024, section 327.15, subdivision 2, is amended to read:

Subd. 2. **License renewal.** Initial and renewal licenses for all manufactured home parks and recreational camping areas shall be issued annually and shall have an expiration date included on the license. Any person who operates a manufactured home park or recreational camping area after the expiration date of a license or without having submitted an application and paid the fee shall be deemed to have violated the provisions of this chapter and shall be subject to enforcement action, as provided in the Health Enforcement Consolidation Act, sections 144.989 to 144.993. In addition, a penalty of ~~\$120~~ \$200 shall be added to the total of the license fee for any manufactured home park or recreational camping area operating without a license for a period of up to 30 days. A late fee of ~~\$360~~ \$450 shall be added to the license fee for any manufactured home park or recreational camping area operating more than 30 days without a license.

Sec. 93. Minnesota Statutes 2024, section 327.15, subdivision 3, is amended to read:

Subd. 3. **Fees, manufactured home parks and recreational camping areas.** (a) The following fees are required for manufactured home parks and recreational camping areas licensed under this chapter. Fees collected under this section shall be deposited in the state government special revenue fund. Recreational camping areas and manufactured home parks shall pay the highest applicable base fee under paragraph (b). The license fee for new operators of a manufactured home park or recreational camping area previously licensed under this chapter for the same calendar year is one-half of the appropriate annual license fee, plus any penalty that may be required. The license fee for operators opening on or after October 1 is one-half of the appropriate annual license fee, plus any penalty that may be required.

(b) All manufactured home parks and recreational camping areas shall pay the following annual base fee:

- (1) a manufactured home park, ~~\$165~~ \$280; and
- (2) a recreational camping area with:
 - (i) 24 or less sites, ~~\$55~~ \$100;
 - (ii) 25 to 99 sites, ~~\$230~~ \$410; and
 - (iii) 100 or more sites, ~~\$330~~ \$610.

In addition to the base fee, manufactured home parks and recreational camping areas shall pay ~~\$5~~ \$8 for each licensed site. This paragraph does not apply to special event recreational camping areas. Operators of a manufactured home park or a recreational camping area also licensed under section 157.16 for the same location shall pay only one base fee, whichever is the highest of the base fees found in this section or section 157.16.

(c) In addition to the fee in paragraph (b), each manufactured home park or recreational camping area shall pay an additional annual fee for each fee category specified in this paragraph:

- (1) Manufactured home parks and recreational camping areas with public swimming pools and spas shall pay the appropriate fees specified in section 157.16.
- (2) Individual private sewer or water, ~~\$60~~ \$85. "Individual private water" means a fee category with a water supply other than a community public water supply as defined in Minnesota Rules, chapter 4720. "Individual private sewer" means a fee category with a subsurface sewage treatment system which uses subsurface treatment and disposal.

(d) The following fees must accompany a plan review application for initial construction of a manufactured home park or recreational camping area:

- (1) for initial construction of less than 25 sites, ~~\$375~~ \$400;
- (2) for initial construction of 25 to 99 sites, ~~\$400~~ \$425; and
- (3) for initial construction of 100 or more sites, ~~\$500~~ \$525.

(e) The following fees must accompany a plan review application when an existing manufactured home park or recreational camping area is expanded:

- (1) for expansion of less than 25 sites, ~~\$250~~ \$300;
- (2) for expansion of 25 to 99 sites, ~~\$300~~ \$350; and
- (3) for expansion of 100 or more sites, ~~\$450~~ \$500.

(f) Plan review applications submitted less than 30 days prior to construction are subject to an additional late fee equal to 50 percent of the original plan review fee.

Sec. 94. Minnesota Statutes 2024, section 327.15, subdivision 4, is amended to read:

Subd. 4. **Fees, special event recreational camping areas.** (a) The following fees are required for special event recreational camping areas licensed under this chapter.

(b) All special event recreational camping areas shall pay an annual fee of ~~\$150~~ \$250 plus ~~\$1~~ \$4 for each licensed site.

(c) A special event recreational camping area shall pay a late fee of ~~\$360~~ \$450 for failing to obtain a license prior to operating.

(d) The following fees must accompany a plan review application for initial construction of a special event recreational camping area:

- (1) for initial construction of less than 25 special event recreational camping sites, ~~\$375~~ \$475;
- (2) for initial construction of 25 to 99 sites, ~~\$400~~ \$500; and
- (3) for initial construction of 100 or more sites, ~~\$500~~ \$600.

(e) The following fees must accompany a plan review application for expansion of a special event recreational camping area:

- (1) for expansion of less than 25 sites, ~~\$250~~ \$300;
- (2) for expansion of 25 to 99 sites, ~~\$300~~ \$350; and
- (3) for expansion of 100 or more sites, ~~\$450~~ \$500.

(f) Plan review applications submitted less than 30 days prior to construction are subject to an additional late fee equal to 50 percent of the original plan review fee.

Sec. 95. Minnesota Statutes 2024, section 327.15, is amended by adding a subdivision to read:

Subd. 5. **Technology fee.** All manufactured home parks, recreational camping areas, and special event camping areas must pay a \$5 technology fee at initial licensing and upon each renewal.

Sec. 96. **SPOKEN LANGUAGE HEALTH CARE INTERPRETER WORK GROUP.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of health.

(c) "Common languages" means the 15 most common languages without regard to dialect in Minnesota.

(d) "Registered interpreter" means a spoken language interpreter who is listed on the Department of Health's spoken language health care interpreter roster.

(e) "Work group" means the spoken language health care interpreter work group established in this section.

Subd. 2. **Composition.** The commissioner, after receiving work group candidate applications, must appoint 15 members to the work group consisting of the following members:

(1) three members who are interpreters listed on the Department of Health's spoken language health care interpreter roster and who are Minnesota residents. Of these members:

(i) each must be an interpreter for a different language;

(ii) at least one must have a national certification credential; and

(iii) at least one must have been listed on the roster as an interpreter in a language other than the common languages and must have completed a nationally recognized training program for health care interpreters that is, at a minimum, 40 hours in length;

(2) three members representing limited English proficiency (LEP) individuals. Of these members, two must represent LEP individuals who are proficient in a common language other than English and one must represent LEP individuals who are proficient in a language that is not one of the common languages;

(3) one member representing a health plan company;

(4) one member who is not an interpreter and who is representing a Minnesota health system;

(5) two members representing interpreter agencies, including one member representing agencies whose main office is located outside the seven-county metropolitan area and one member representing agencies whose main office is located within the seven-county metropolitan area;

(6) one member representing the Department of Health;

(7) one member representing the Department of Human Services;

(8) one member representing an interpreter training program or postsecondary educational institution program providing interpreter courses or skills assessment;

(9) one member who is affiliated with a Minnesota-based or Minnesota chapter of a national or international organization representing interpreters; and

(10) one member who is a licensed health care provider.

Subd. 3. **Duties.** The work group must compile a list of recommendations to support and improve access to the critical health care interpreting services provided across the state, including but not limited to:

(1) changing requirements for registered and certified interpreters to reflect changing needs of the Minnesota health care community and emerging national standards of training, competency, and testing;

(2) addressing barriers for interpreters to gain access to the roster, including barriers for interpreters of languages other than common languages and interpreters in rural areas;

(3) reimbursing spoken language health care interpreting;

(4) identifying gaps in interpreter services in rural areas and recommending ways to address interpreter training and funding needs;

(5) providing training, certification, and continuing education programs;

(6) convening a meeting of public and private sector representatives of the spoken language health care interpreter community to identify ongoing sources of financial assistance to aid individual interpreters in meeting interpreter training and testing requirements for the registry;

(7) conducting surveys of people receiving and providing interpreter services to understand changing needs and consumer quality of care; and

(8) suggesting changes in requirements and qualifications on telehealth or remote interpreting.

Subd. 4. **Compensation; expense reimbursement.** Compensation shall be offered to work group members not being compensated for their participation in work group activities as part of their existing job duties. Work group members shall be compensated and reimbursed for expenses for work group activities under Minnesota Statutes, section 15.059, subdivision 3.

Subd. 5. **Administrative support; meeting space, meeting facilitation.** The commissioner must provide meeting space and administrative support for the work group. The commissioner may contract with a neutral independent consultant to provide this administrative support and to facilitate and lead the meetings of the work group.

Subd. 6. **Deadline for appointments.** The commissioner must appoint members to the work group by August 15, 2025.

Subd. 7. **Expiration.** This section expires on November 2, 2026, or upon submission of the report required under subdivision 9, whichever is earlier.

Subd. 8. **Initial spoken language health care interpreter work group meetings.** The commissioner shall convene the first meeting of the work group by October 1, 2025. Prior to the first meeting, work group members must receive results from previously conducted surveys and gather evidence-based research on interpreter services in Minnesota. During the first meetings, work group members may consult with subject matter experts, including but not limited to signed language interpreting experts, academic experts with knowledge of interpreting research, and academic health experts to address specific gaps in spoken language health care interpreting. The work group shall provide a minimum of two opportunities for public comment. These opportunities shall be announced with at least four weeks' notice, with publicity in the five most common languages in Minnesota. Interpreters for those same languages shall be provided during the public comment opportunities.

Subd. 9. **Report.** By November 1, 2026, the commissioner must provide the chairs and ranking minority members of the legislative committees with jurisdiction over health care interpreter services with recommendations, including draft legislation and any statutory changes needed to implement the recommendations, to improve and support access to health care interpreting services statewide.

Sec. 97. **REPORT ON FACILITY FEES.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Facility fee" means any separate charge or billing by a provider-based clinic in addition to a professional fee for physicians' services that is intended to cover building, electronic medical records systems, billing, and other administrative and operational expenses.

(c) "Provider-based clinic" means the site of an off-campus clinic or provider office, located at least 250 yards from the main hospital buildings or as determined by the Centers for Medicare and Medicaid Services, that is owned by a hospital licensed under Minnesota Statutes, chapter 144, or a health system that operates one or more hospitals licensed under Minnesota Statutes, chapter 144, and is primarily engaged in providing diagnostic and therapeutic care, including medical history, physical examinations, assessment of health status, and treatment monitoring. Provider-based clinic does not include clinics that are exclusively providing laboratory, x-ray, testing, therapy, pharmacy, or educational services and does not include facilities designated as rural health clinics.

Subd. 2. **Reporting.** (a) By January 15, 2027, hospitals licensed under Minnesota Statutes, chapter 144, and health systems operating one or more hospitals licensed under Minnesota Statutes, chapter 144, must submit a report to the commissioner of health identifying facility fees charged, billed, and collected during the preceding calendar year. The commissioner must publish the information reported on a publicly accessible website. The report shall be in the format prescribed by the commissioner of health.

(b) The report under this subdivision must include the following information for each facility owned or operated by the hospital or health system providing services for which a facility fee is charged, billed, or collected:

(1) the name and full address of each facility;

(2) the number of patient visits at each facility; and

(3) the number, total amount, and range of allowable facility fees paid at each facility by Medicare, medical assistance, MinnesotaCare, and private insurance.

(c) The report under this subdivision must include the following information for the entire hospital or health system:

(1) the total amount charged and billed for facility fees;

(2) the total amount collected from facility fees;

(3) the top ten procedures or services provided by the hospital or health system that generated the greatest amount of facility fee gross revenue, the volume of each of these ten procedures or services and the gross and net revenue totals for each procedure or service, and the total net amount of revenue received by the hospital or health system derived from facility fees;

(4) the top ten procedures or services, based on patient volume, provided by the hospital or health system for which facility fees are charged, billed, or collected, based on patient volume, including the gross and net revenue totals received for each such procedure or service; and

(5) any other information related to facility fees that the commissioner of health may require.

Subd. 3. **Enforcement.** The commissioner of health may, pursuant to the procedures in Minnesota Statutes, sections 144.99 and 144.991, impose an administrative penalty on a hospital or health system for failure to comply with subdivision 2. The penalty must not exceed \$1,000 per occurrence.

Sec. 98. **RULEMAKING.**

The Department of Health must adopt rules using the expedited process under Minnesota Statutes, section 14.389, to amend certain parts in Minnesota Rules, chapter 4695, to conform with the changes made in this act.

Sec. 99. **REPEALER.**

(a) Minnesota Statutes 2024, section 103I.550, is repealed.

(b) Minnesota Rules, part 4695.2900, is repealed.

ARTICLE 2

DEPARTMENT OF HEALTH POLICY

Section 1. Minnesota Statutes 2024, section 62J.461, subdivision 3, is amended to read:

Subd. 3. **Reporting by covered entities to the commissioner.** (a) Each 340B covered entity shall report to the commissioner by April 1 of each year the following information for transactions conducted by the 340B covered entity or on its behalf, and related to its participation in the federal 340B program for the previous calendar year:

(1) the aggregated acquisition cost for prescription drugs obtained under the 340B program;

(2) the aggregated payment amount received for drugs obtained under the 340B program and dispensed or administered to patients;

(i) that are net of the contracted price for insurance claims payments; and

(ii) that reflect the portion of payment received from grants, cash, or other payment types that relate to the dispensing or administering of drugs obtained under the 340B program;

(3) the number of pricing units dispensed or administered for prescription drugs described in clause (2);
and

(4) the aggregated payments made:

(i) to contract pharmacies to dispense drugs obtained under the 340B program;

(ii) to any other entity that is not the covered entity and is not a contract pharmacy for managing any aspect of the covered entity's 340B program; and

(iii) for ~~all~~ other internal, direct expenses related to administering the 340B program with a detailed description of the direct costs included.

The information under clauses (2) and (3) must be reported by payer type, including but not limited to commercial insurance, medical assistance, MinnesotaCare, and Medicare, in the form and manner prescribed by the commissioner.

(b) For covered entities that are hospitals, the information required under paragraph (a), clauses (1) to (3), must also be reported at the national drug code level for the 50 most frequently dispensed or administered drugs by the facility under the 340B program.

(c) Data submitted to the commissioner under paragraphs (a) and (b) are classified as nonpublic data, as defined in section 13.02, subdivision 9.

Sec. 2. Minnesota Statutes 2024, section 62J.461, subdivision 4, is amended to read:

Subd. 4. **Enforcement and exceptions.** (a) Any ~~health-care~~ covered entity subject to reporting under this section that fails to provide data in the form and manner prescribed by the commissioner is subject to the levy of a fine paid to the commissioner of up to \$500 for each day the data are past due. Any fine levied against the entity under this subdivision is subject to the contested case and judicial review provisions of sections 14.57 ~~and to~~ 14.69.

(b) The commissioner may grant an entity an extension of or exemption from the reporting obligations under this subdivision section, upon a showing of good cause by the entity.

Sec. 3. Minnesota Statutes 2024, section 62J.461, subdivision 5, is amended to read:

Subd. 5. **Reports to the legislature.** By November 15, 2024, and by November 15 of each year thereafter, the commissioner shall submit to the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance and policy, a report that aggregates the data submitted under subdivision 3, paragraphs (a) and (b). ~~The following information must be included in the report~~ For all 340B entities whose net 340B revenue constitutes a significant share, as determined by the commissioner, of all net 340B revenue across all 340B covered entities in Minnesota, the following information must also be included in the report:

(1) the information submitted under subdivision 2; and

(2) for each 340B entity identified in subdivision 2, that entity's 340B net revenue as calculated using the data submitted under subdivision 3, paragraph (a), with net revenue being subdivision 3, paragraph (a), clause (2), less the sum of subdivision 3, paragraph (a), clauses (1) and (4).

For all other entities, the data in the report must be aggregated to the entity type or groupings of entity types in a manner that prevents the identification of an individual entity and any entity's specific data value reported for an individual data element.

Sec. 4. Minnesota Statutes 2024, section 62J.51, subdivision 19a, is amended to read:

Subd. 19a. **Uniform explanation of benefits document.** "Uniform explanation of benefits ~~document~~" means either the document associated with and explaining the details of a group purchaser's claim adjudication for services rendered or its electronic equivalent under section 62J.581, which is sent to a patient.

Sec. 5. Minnesota Statutes 2024, section 62J.581, is amended to read:

62J.581 STANDARDS FOR MINNESOTA UNIFORM HEALTH CARE REIMBURSEMENT DOCUMENTS.

Subdivision 1. **Minnesota uniform remittance advice.** All group purchasers shall provide a uniform claim payment/advice transaction to health care providers when a claim is adjudicated. The uniform claim payment/advice transaction shall comply with section 62J.536, subdivision 1, paragraph (b), and rules adopted under section 62J.536, subdivision 2.

Subd. 2. **Minnesota uniform explanation of benefits document.** (a) All group purchasers shall provide a uniform explanation of benefits ~~document~~ to health care patients when an explanation of benefits ~~document~~ is provided as otherwise required or permitted by law. The uniform explanation of benefits ~~document~~ shall comply with the standards prescribed in this section.

(b) Notwithstanding paragraph (a), this section does not apply to group purchasers not included as covered entities under United States Code, title 42, sections 1320d to 1320d-8, as amended from time to time, and the regulations promulgated under those sections.

Subd. 3. **Scope.** For purposes of sections 62J.50 to 62J.61, the ~~uniform claim payment/advice transaction and uniform explanation of benefits document~~ format specified in subdivision 4 shall apply to all health care services delivered by a health care provider or health care provider organization in Minnesota, regardless of the location of the payer. Health care services not paid on an individual claims basis, such as capitated payments, are not included in this section. A health plan company is excluded from the requirements in ~~subdivisions 1 and subdivision 2~~ if they comply with section 62A.01, subdivisions 2 and 3.

Subd. 4. **Specifications.** (a) The uniform explanation of benefits ~~document~~ shall be provided by use of a paper document conforming to the specifications in this section or its electronic equivalent under paragraph (b).

(b) Group purchasers may make the uniform explanation of benefits available in a version that can be accessed by health care patients electronically if:

(1) the group purchaser making the uniform explanation of benefits available electronically provides health care patients the ability to choose whether to receive paper, electronic, or both paper and electronic versions of their uniform explanation of benefits;

(2) the group purchaser provides clear, readily accessible information and instructions for the patient to communicate their choice; and

(3) health care patients not responding to the opportunity to make a choice will receive at a minimum a paper uniform explanation of benefits.

(c) The commissioner, after consulting with the Administrative Uniformity Committee, shall specify the data elements and definitions for the paper uniform explanation of benefits document. ~~The commissioner and the Administrative Uniformity Committee must consult with the Minnesota Dental Association and Delta Dental Plan of Minnesota before requiring under this section the use of a paper document for the uniform explanation of benefits document or the uniform claim payment/advice transaction for dental care services. Any electronic version of the uniform explanation of benefits must use the same data elements and definitions as the paper uniform explanation of benefits.~~

~~Subd. 5. **Effective date.** The requirements in subdivisions 1 and 2 are effective June 30, 2007. The requirements in subdivisions 1 and 2 apply regardless of when the health care service was provided to the patient.~~

Sec. 6. Minnesota Statutes 2024, section 62J.84, subdivision 2, is amended to read:

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

(b) "Biosimilar" means a drug that is produced or distributed pursuant to a biologics license application approved under United States Code, title 42, section 262(K)(3).

(c) "Brand name drug" means a drug that is produced or distributed pursuant to:

(1) a new drug application approved under United States Code, title 21, section 355(c), except for a generic drug as defined under Code of Federal Regulations, title 42, section 447.502; or

(2) a biologics license application approved under United States Code, title 42, section 262(a)(c).

(d) "Commissioner" means the commissioner of health.

(e) "Generic drug" means a drug that is marketed or distributed pursuant to:

(1) an abbreviated new drug application approved under United States Code, title 21, section 355(j);

(2) an authorized generic as defined under Code of Federal Regulations, title 42, section 447.502; or

(3) a drug that entered the market the year before 1962 and was not originally marketed under a new drug application.

(f) "Manufacturer" means a drug manufacturer licensed under section 151.252.

(g) "New prescription drug" or "new drug" means a prescription drug approved for marketing by the United States Food and Drug Administration (FDA) for which no previous wholesale acquisition cost has been established for comparison.

(h) "Patient assistance program" means a program that a manufacturer offers to the public in which a consumer may reduce the consumer's out-of-pocket costs for prescription drugs by using coupons, discount cards, prepaid gift cards, manufacturer debit cards, or by other means.

(i) "Prescription drug" or "drug" has the meaning provided in section 151.441, subdivision 8.

(j) "Price" means the wholesale acquisition cost as defined in United States Code, title 42, section 1395w-3a(c)(6)(B).

(k) "30-day supply" means the total daily dosage units of a prescription drug recommended by the prescribing label approved by the FDA for 30 days. If the FDA-approved prescribing label includes more than one recommended daily dosage, the 30-day supply is based on the maximum recommended daily dosage on the FDA-approved prescribing label.

(l) "Course of treatment" means the total dosage of a single prescription for a prescription drug recommended by the FDA-approved prescribing label. If the FDA-approved prescribing label includes more than one recommended dosage for a single course of treatment, the course of treatment is the maximum recommended dosage on the FDA-approved prescribing label.

(m) "Drug product family" means a group of one or more prescription drugs that share a unique generic drug description or nontrade name and dosage form.

~~(n) "Individual salable unit" means the smallest container of product introduced into commerce by the manufacturer or repackager that is intended by the manufacturer or repackager for individual sale to a dispenser.~~

~~(n)~~ (n) "National drug code" means the three-segment code maintained by the federal Food and Drug Administration that includes a labeler code, a product code, and a package code for a drug product and that has been converted to an 11-digit format consisting of five digits in the first segment, four digits in the second segment, and two digits in the third segment. A three-segment code shall be considered converted to an 11-digit format when, as necessary, at least one "0" has been added to the front of each segment containing less than the specified number of digits such that each segment contains the specified number of digits.

~~(p)~~ (o) "Pharmacy" or "pharmacy provider" means a community/outpatient pharmacy as defined in Minnesota Rules, part 6800.0100, subpart 2, that is also licensed as a pharmacy by the Board of Pharmacy under section 151.19.

~~(q)~~ (p) "Pharmacy benefit manager" or "PBM" means an entity licensed to act as a pharmacy benefit manager under section 62W.03.

~~(r)~~ (q) "Pricing unit" means the smallest dispensable amount of a prescription drug product that could be dispensed or administered.

~~(s)~~ (r) "Rebate" means a discount, chargeback, or other price concession that affects the price of a prescription drug product, regardless of whether conferred through regular aggregate payments, on a claim-by-claim basis at the point of sale, as part of retrospective financial reconciliations, including reconciliations that also reflect other contractual arrangements, or by any other method. "Rebate" does not mean a bona fide service fee as defined in Code of Federal Regulations, title 42, section 447.502.

~~(t)~~ (s) "Reporting entity" means any manufacturer, pharmacy, pharmacy benefit manager, wholesale drug distributor, or any other entity required to submit data under this section.

~~(u)~~ (t) "Wholesale drug distributor" or "wholesaler" means an entity that:

~~(1)~~ is licensed to act as a wholesale drug distributor under section 151.47; ~~and,~~

~~(2) distributes prescription drugs, for which it is not the manufacturer, to persons or entities, or both, other than a consumer or patient in the state.~~

Sec. 7. Minnesota Statutes 2024, section 62J.84, subdivision 3, is amended to read:

Subd. 3. **Prescription drug price increases reporting.** (a) Beginning January 1, 2022, a drug manufacturer must submit to the commissioner the information described in paragraph (b) for each prescription drug for which the price was \$100 or greater for a 30-day supply or for a course of treatment lasting less than 30 days and:

(1) for brand name drugs where there is an increase of ten percent or greater in the price over the previous 12-month period or an increase of 16 percent or greater in the price over the previous 24-month period; and

(2) for generic or biosimilar drugs where there is an increase of 50 percent or greater in the price over the previous 12-month period.

(b) For each of the drugs described in paragraph (a), the manufacturer shall submit to the commissioner no later than 60 days after the price increase goes into effect, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) the description and price of the drug and the net increase, expressed as a percentage, with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the factors that contributed to the price increase;

(3) the name of any generic version of the prescription drug available on the market;

(4) the year the prescription drug was introduced for sale in the United States;

~~(4)~~ (5) the introductory price of the prescription drug when it was introduced for sale in the United States and the price of the drug on the last day of each of the five calendar years preceding the price increase;

~~(5)~~ (6) the direct costs incurred during the previous 12-month period by the manufacturer that are associated with the prescription drug, listed separately:

(i) to manufacture the prescription drug;

(ii) to market the prescription drug, including advertising costs; and

(iii) to distribute the prescription drug;

(7) the number of units of the prescription drug sold during the previous 12-month period;

~~(6)~~ (8) the total sales revenue for the prescription drug during the previous 12-month period;

(9) the total rebate payable amount accrued for the prescription drug during the previous 12-month period;

~~(7)~~ (10) the manufacturer's net profit attributable to the prescription drug during the previous 12-month period;

~~(8)~~ (11) the total amount of financial assistance the manufacturer has provided through patient prescription assistance programs during the previous 12-month period, if applicable;

~~(9)~~ (12) any agreement between a manufacturer and another entity contingent upon any delay in offering to market a generic version of the prescription drug;

~~(10)~~ (13) the patent expiration date of the prescription drug if it is under patent;

~~(11)~~ (14) the name and location of the company that manufactured the drug;

~~(12)~~ (15) if a brand name prescription drug, the highest price paid for the prescription drug during the previous calendar year in the ten countries, excluding the United States, that charged the highest single price for the prescription drug; and

~~(13)~~ (16) if the prescription drug was acquired by the manufacturer during the previous 12-month period, all of the following information:

- (i) price at acquisition;
- (ii) price in the calendar year prior to acquisition;
- (iii) name of the company from which the drug was acquired;
- (iv) date of acquisition; and
- (v) acquisition price.

(c) The manufacturer may submit any documentation necessary to support the information reported under this subdivision.

Sec. 8. Minnesota Statutes 2024, section 62J.84, subdivision 6, is amended to read:

Subd. 6. **Public posting of prescription drug price information.** (a) The commissioner shall post on the department's website, or may contract with a private entity or consortium that satisfies the standards of section 62U.04, subdivision 6, to meet this requirement, the following information:

(1) a list of the prescription drugs reported under subdivisions 3, 4, and 11 to 14 and the manufacturers of those prescription drugs; ~~and~~

(2) a list of reporting entities that reported prescription drug price information under subdivisions 3, 4, and 11 to 14; and

~~(2)~~ (3) information reported to the commissioner under subdivisions 3, 4, and 11 to 14, aggregated on a per-drug basis in a manner that does not allow the identification of a reporting entity that is not the manufacturer of the drug.

(b) The information must be published in an easy-to-read format and in a manner that identifies the information that is disclosed on a per-drug basis and must not be aggregated in a manner that prevents the identification of the prescription drug.

(c) The commissioner shall not post to the department's website or a private entity contracting with the commissioner shall not post any information described in this section if the information is not public data under section 13.02, subdivision 8a; or is trade secret information under section 13.37, subdivision 1, paragraph (b); or is trade secret information pursuant to the Defend Trade Secrets Act of 2016, United States Code, title 18, section 1836, as amended. If a reporting entity believes information should be withheld from public disclosure pursuant to this paragraph, the reporting entity must clearly and specifically identify that information and describe the legal basis in writing when the reporting entity submits the information under this section. If the commissioner disagrees with the reporting entity's request to withhold information from public disclosure, the commissioner shall provide the reporting entity written notice that the information will be publicly posted 30 days after the date of the notice.

(d) If the commissioner withholds any information from public disclosure pursuant to this subdivision, the commissioner shall post to the department's website a report describing the nature of the information and the commissioner's basis for withholding the information from disclosure.

(e) To the extent the information required to be posted under this subdivision is collected and made available to the public by another state, by the University of Minnesota, or through an online drug pricing reference and analytical tool, the commissioner may reference the availability of this drug price data from another source including, within existing appropriations, creating the ability of the public to access the data from the source for purposes of meeting the reporting requirements of this subdivision.

Sec. 9. Minnesota Statutes 2024, section 62J.84, subdivision 10, is amended to read:

Subd. 10. **Notice of prescription drugs of substantial public interest.** (a) No later than January 31, 2024, and quarterly thereafter, the commissioner shall produce and post on the department's website a list of prescription drugs that the commissioner determines to represent a substantial public interest and for which the commissioner intends to request data under subdivisions 11 to 14, subject to paragraph (c). The commissioner shall base its inclusion of prescription drugs on any information the commissioner determines is relevant to providing greater consumer awareness of the factors contributing to the cost of prescription drugs in the state, and the commissioner shall consider drug product families that include prescription drugs:

- (1) that triggered reporting under subdivision 3 or 4 during the previous calendar quarter;
- (2) for which average claims paid amounts exceeded 125 percent of the price as of the claim incurred date during the most recent calendar quarter for which claims paid amounts are available; or
- (3) that are identified by members of the public during a public comment process.

(b) Not sooner than 30 days after publicly posting the list of prescription drugs under paragraph (a), the department shall notify, via email, reporting entities registered with the department of:

- (1) the requirement to report under subdivisions 11 to 14; and
- (2) the reporting period for which data must be provided.

(c) The commissioner must not designate more than 500 prescription drugs as having a substantial public interest in any one notice.

(d) Notwithstanding subdivision 16, the commissioner is exempt from chapter 14, including section 14.386, in implementing this subdivision.

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

Sec. 10. Minnesota Statutes 2024, section 62J.84, subdivision 11, is amended to read:

Subd. 11. **Manufacturer prescription drug substantial public interest reporting.** (a) Beginning January 1, 2024, a manufacturer must submit to the commissioner the information described in paragraph (b) for any prescription drug:

- (1) included in a notification to report issued to the manufacturer by the department under subdivision 10;
- (2) which the manufacturer manufactures or repackages;

(3) for which the manufacturer sets the wholesale acquisition cost; and

(4) for which the manufacturer has not submitted data under subdivision 3 during the 120-day period prior to the date of the notification to report.

(b) For each of the drugs described in paragraph (a), the manufacturer shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the price of the drug product on the later of:

(i) the day one year prior to the date of the notification to report;

(ii) the introduced to market date; or

(iii) the acquisition date;

(3) the price of the drug product on the date of the notification to report;

(4) the year the prescription drug was introduced for sale in the United States;

~~(4)~~ (5) the introductory price of the prescription drug when it was introduced for sale in the United States and the price of the drug on the last day of each of the five calendar years preceding the date of the notification to report;

~~(5)~~ (6) the direct costs incurred during the 12-month period prior to the date of reporting period specified in the notification to report by the manufacturers that are associated with the prescription drug, listed separately:

(i) to manufacture the prescription drug;

(ii) to market the prescription drug, including advertising costs; and

(iii) to distribute the prescription drug;

~~(6)~~ (7) the number of units of the prescription drug sold during the 12-month period prior to the date of reporting period specified in the notification to report;

~~(7)~~ (8) the total sales revenue for the prescription drug during the 12-month period prior to the date of reporting period specified in the notification to report;

~~(8)~~ (9) the total rebate payable amount accrued for the prescription drug during the 12-month period prior to the date of reporting period specified in the notification to report;

~~(9)~~ (10) the manufacturer's net profit attributable to the prescription drug during the ~~12-month period prior to the date of reporting period specified~~ in the notification to report;

~~(10)~~ (11) the total amount of financial assistance the manufacturer has provided through patient prescription assistance programs during the ~~12-month period prior to the date of reporting period specified~~ in the notification to report, if applicable;

~~(11)~~ (12) any agreement between a manufacturer and another entity contingent upon any delay in offering to market a generic version of the prescription drug;

~~(12)~~ (13) the patent expiration date of the prescription drug if the prescription drug is under patent;

~~(13)~~ (14) the name and location of the company that manufactured the drug;

~~(14)~~ (15) if the prescription drug is a brand name prescription drug, the ten countries other than the United States that paid the highest prices for the prescription drug during the previous calendar year and their prices; and

~~(15)~~ (16) if the prescription drug was acquired by the manufacturer within a ~~12-month period prior to the date of the reporting period specified~~ in the notification to report, all of the following information:

(i) the price at acquisition;

(ii) the price in the calendar year prior to acquisition;

(iii) the name of the company from which the drug was acquired;

(iv) the date of acquisition; and

(v) the acquisition price.

(c) The manufacturer may submit any documentation necessary to support the information reported under this subdivision.

Sec. 11. Minnesota Statutes 2024, section 62J.84, subdivision 12, is amended to read:

Subd. 12. **Pharmacy prescription drug substantial public interest reporting.** (a) Beginning January 1, 2024, a pharmacy must submit to the commissioner the information described in paragraph (b) for any prescription drug:

(1) included in a notification to report issued to the pharmacy by the department under subdivision 10; and

(2) that the pharmacy dispensed in Minnesota or mailed to a Minnesota address.

(b) For each of the drugs described in paragraph (a), the pharmacy shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the number of units of the drug acquired during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

(3) the total spent before rebates by the pharmacy to acquire the drug during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

(4) the total rebate receivable amount accrued by the pharmacy for the drug during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

(5) the number of pricing units of the drug dispensed by the pharmacy during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

(6) the total payment receivable by the pharmacy for dispensing the drug including ingredient cost, dispensing fee, and administrative fees during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

(7) the total rebate payable amount accrued by the pharmacy for the drug during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report; and

(8) the average cash price paid by consumers per pricing unit for prescriptions dispensed where no claim was submitted to a health care service plan or health insurer during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report.

(c) The pharmacy may submit any documentation necessary to support the information reported under this subdivision.

(d) The commissioner may grant extensions, exemptions, or both to compliance with the requirements of paragraphs (a) and (b) by small or independent pharmacies, if compliance with paragraphs (a) and (b) would represent a hardship or undue burden to the pharmacy. The commissioner may establish procedures for small or independent pharmacies to request extensions or exemptions under this paragraph.

Sec. 12. Minnesota Statutes 2024, section 62J.84, subdivision 13, is amended to read:

Subd. 13. **PBM prescription drug substantial public interest reporting.** (a) Beginning January 1, 2024, a PBM must submit to the commissioner the information described in paragraph (b) for any prescription drug:

(1) included in a notification to report issued to the PBM by the department under subdivision 10; and

(2) for which the PBM fulfilled pharmacy benefit management duties for Minnesota residents.

(b) For each of the drugs described in paragraph (a), the PBM shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the number of pricing units of the drug product filled ~~for which the PBM administered claims during the 12-month period prior to the date of~~ reporting period specified in the notification to report;

(3) the total reimbursement amount accrued and payable to pharmacies for pricing units of the drug product filled ~~for which the PBM administered claims during the 12-month period prior to the date of~~ reporting period specified in the notification to report;

(4) the total reimbursement ~~or administrative fee amount, or both,~~ accrued and receivable from payers for pricing units of the drug product filled ~~for which the PBM administered claims during the 12-month period prior to the date of~~ reporting period specified in the notification to report;

(5) the total administrative fee amount accrued and receivable from payers for pricing units of the drug product filled during the reporting period specified in the notification to report;

~~(5)~~ (6) the total rebate receivable amount accrued by the PBM for the drug product during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report; and

~~(6)~~ (7) the total rebate payable amount accrued by the PBM for the drug product during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report.

(c) The PBM may submit any documentation necessary to support the information reported under this subdivision.

Sec. 13. Minnesota Statutes 2024, section 62J.84, subdivision 14, is amended to read:

Subd. 14. **Wholesale drug distributor prescription drug substantial public interest reporting.** (a) Beginning January 1, 2024, a wholesale drug distributor that distributes prescription drugs, for which it is not the manufacturer, to persons or entities, or both, other than a consumer or patient in the state, must submit to the commissioner the information described in paragraph (b) for any prescription drug:

(1) included in a notification to report issued to the wholesale drug distributor by the department under subdivision 10; and

(2) that the wholesale drug distributor distributed within or into Minnesota.

(b) For each of the drugs described in paragraph (a), the wholesale drug distributor shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the number of units of the drug product acquired by the wholesale drug distributor during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

(3) the total spent before rebates by the wholesale drug distributor to acquire the drug product during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

(4) the total rebate receivable amount accrued by the wholesale drug distributor for the drug product during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

(5) the number of units of the drug product sold by the wholesale drug distributor during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

(6) gross revenue from sales in the United States generated by the wholesale drug distributor for ~~this the drug product during the 12-month period prior to the date of~~ reporting period specified in the notification to report; and

(7) total rebate payable amount accrued by the wholesale drug distributor for the drug product during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report.

(c) The wholesale drug distributor may submit any documentation necessary to support the information reported under this subdivision.

Sec. 14. Minnesota Statutes 2024, section 62J.84, subdivision 15, is amended to read:

Subd. 15. **Registration requirements.** ~~Beginning January 1, 2024,~~ A reporting entity subject to this chapter shall register, or update existing registration information, with the department in a form and manner prescribed by the commissioner by January 30 each year.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 15. Minnesota Statutes 2024, section 62K.10, subdivision 2, is amended to read:

Subd. 2. ~~**Primary care; mental health services; general hospital services**~~ **Time and distance standards.** ~~The maximum travel distance or time shall be the lesser of 30 miles or 30 minutes to the nearest provider of each of the following services: primary care services, mental health services, and general hospital services~~ Health carriers must meet the time and distance standards under Code of Federal Regulations, title 45, section 155.1050.

Sec. 16. Minnesota Statutes 2024, section 62K.10, subdivision 5, is amended to read:

Subd. 5. **Waiver.** (a) A health carrier may apply to the commissioner of health for a waiver of the requirements in subdivision 2 ~~or 3~~ if it is unable to meet the statutory requirements. A waiver application must be submitted on a form provided by the commissioner, must be accompanied by an application fee of \$500 for each application to waive the requirements in subdivision 2 ~~or 3~~ for one or more provider types per county, and must:

(1) demonstrate with specific data that the requirement of subdivision 2 ~~or 3~~ is not feasible in a particular service area or part of a service area; and

(2) include specific information as to the steps that were and will be taken to address the network inadequacy, and, for steps that will be taken prospectively to address network inadequacy, the time frame within which those steps will be taken.

(b) The commissioner shall establish guidelines for evaluating waiver applications, standards governing approval or denial of a waiver application, and standards for steps that health carriers must take to address the network inadequacy and allow the health carrier to meet network adequacy requirements within a reasonable time period. The commissioner shall review each waiver application using these guidelines and standards and shall approve a waiver application only if:

(1) the standards for approval established by the commissioner are satisfied; and

(2) the steps that were and will be taken to address the network inadequacy and the time frame for taking these steps satisfy the standards established by the commissioner.

(c) If, in its waiver application, a health carrier demonstrates to the commissioner that there are no providers of a specific type or specialty in a county, the commissioner may approve a waiver in which the health carrier is allowed to address network inadequacy in that county by providing for patient access to providers of that type or specialty via telehealth, as defined in section 62A.673, subdivision 2.

(d) The waiver shall automatically expire after one year. Upon or prior to expiration of a waiver, a health carrier unable to meet the requirements in subdivision 2 ~~or 3~~ must submit a new waiver application under paragraph (a) and must also submit evidence of steps the carrier took to address the network inadequacy. When the commissioner reviews a waiver application for a network adequacy requirement which has been waived for the carrier for the most recent one-year period, the commissioner shall also examine the steps the carrier took during that one-year period to address network inadequacy, and shall only approve a subsequent waiver application that satisfies the requirements in paragraph (b), demonstrates that the carrier took the steps it proposed to address network inadequacy, and explains why the carrier continues to be unable to satisfy the requirements in subdivision 2 ~~or 3~~.

(e) Application fees collected under this subdivision shall be deposited in the state government special revenue fund in the state treasury.

Sec. 17. Minnesota Statutes 2024, section 62K.10, subdivision 6, is amended to read:

Subd. 6. **Referral centers.** ~~Subdivisions~~ Subdivision 2 ~~and 3~~ shall not apply if an enrollee is referred to a referral center for health care services. A referral center is a medical facility that provides highly specialized medical care, including but not limited to organ transplants. A health carrier or preferred provider organization may consider the volume of services provided annually, case mix, and severity adjusted mortality and morbidity rates in designating a referral center.

Sec. 18. Minnesota Statutes 2024, section 103I.005, subdivision 17b, is amended to read:

Subd. 17b. **Temporary boring.** "Temporary boring" means an excavation that is 15 feet or more in depth, is sealed within 72 hours of the time of construction, and is drilled, cored, washed, driven, dug, jetted, or otherwise constructed to:

(1) conduct physical, chemical, or biological testing of groundwater, including groundwater quality monitoring;

(2) monitor or measure physical, chemical, radiological, or biological parameters of earth materials or earth fluids, including hydraulic conductivity, bearing capacity, or resistance;

(3) measure groundwater levels, including use of a piezometer; ~~and~~ or

(4) determine groundwater flow direction or velocity.

Sec. 19. Minnesota Statutes 2024, section 103I.101, subdivision 2, is amended to read:

Subd. 2. **Duties.** The commissioner shall:

(1) regulate the drilling, construction, modification, repair, and sealing of wells and borings;

(2) examine and license:

(i) well contractors;

(ii) persons constructing, repairing, and sealing bored geothermal heat exchangers;

(iii) persons modifying or repairing well casings above the pitless unit or adaptor, well screens, well diameters, and installing well pumps or pumping equipment;

(iv) persons constructing, repairing, and sealing dewatering wells;

(v) persons sealing wells or borings; ~~and~~

(vi) persons excavating or drilling holes for the installation of elevator borings; and

(vii) persons installing, removing, or maintaining groundwater thermal exchange devices and submerged closed loop heat exchangers;

(3) examine and license environmental well contractors;

(4) license explorers engaged in exploratory boring and examine individuals who supervise or oversee exploratory boring;

(5) after consultation with the commissioner of natural resources and the Pollution Control Agency, establish standards for the design, location, construction, repair, and sealing of wells and borings within the state; and

(6) issue permits for wells, groundwater thermal devices, bored geothermal heat exchangers, installation of submerged closed loop heat exchanger systems, and elevator borings.

Sec. 20. Minnesota Statutes 2024, section 103I.101, subdivision 5, is amended to read:

Subd. 5. **Commissioner to adopt rules.** The commissioner shall adopt rules including:

(1) issuance of licenses for:

(i) qualified well contractors;

(ii) persons constructing, repairing, and sealing dewatering wells;

(iii) persons sealing wells or borings;

(iv) persons installing, modifying, or repairing well casings, well screens, well diameters, and well pumps or pumping equipment;

(v) persons constructing, repairing, and sealing bored geothermal heat exchangers;

(vi) persons constructing, repairing, and sealing elevator borings; ~~and~~

(vii) persons constructing, repairing, and sealing environmental wells; and

(viii) persons installing, removing, or maintaining groundwater thermal exchange devices and submerged closed loop heat exchangers;

(2) establishment of conditions for examination and review of applications for license and certification;

(3) establishment of conditions for revocation and suspension of license and certification;

(4) establishment of minimum standards for design, location, construction, repair, and sealing of wells and borings to implement the purpose and intent of this chapter;

(5) establishment of a system for reporting on wells and borings drilled and sealed;

(6) establishment of standards for the construction, maintenance, sealing, and water quality monitoring of wells in areas of known or suspected contamination;

(7) establishment of wellhead protection measures for wells serving public water supplies;

(8) establishment of procedures to coordinate collection of well and boring data with other state and local governmental agencies;

(9) establishment of criteria and procedures for submission of well and boring logs, formation samples or well or boring cuttings, water samples, or other special information required for and water resource mapping; and

(10) establishment of minimum standards for design, location, construction, maintenance, repair, sealing, safety, and resource conservation related to borings, including exploratory borings as defined in section 103I.005, subdivision 9.

Sec. 21. Minnesota Statutes 2024, section 103I.101, is amended by adding a subdivision to read:

Subd. 7. **Inspection.** At a minimum, the commissioner of health shall inspect at least 25 percent of well construction notifications each year under this section.

Sec. 22. Minnesota Statutes 2024, section 138.912, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The healthy eating, here at home program is established to provide incentives for low-income Minnesotans to use federal Supplemental Nutrition Assistance Program (SNAP) or SUN bucks (Summer EBT) benefits for healthy purchases at Minnesota-based farmers' markets, mobile markets, and direct-farmer sales, including community-supported agriculture shares.

Sec. 23. Minnesota Statutes 2024, section 138.912, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Healthy eating, here at home" means a program administered by the ~~Minnesota Humanities Center~~ Department of Health to provide incentives for low-income Minnesotans to use SNAP or SUN bucks (Summer EBT) benefits for healthy purchases at Minnesota-based farmers' markets.

(c) "Healthy purchases" means SNAP-eligible foods.

(d) "Minnesota-based farmers' market" means a physical market as defined in section 28A.151, subdivision 1, paragraph (b), and also includes mobile markets and direct-farmer sales, including through a community-supported agriculture model.

(e) "Voucher" means a physical or electronic credit.

(f) "Eligible household" means an individual or family that is determined to be a recipient of SNAP or SUN bucks (Summer EBT).

Sec. 24. Minnesota Statutes 2024, section 138.912, subdivision 3, is amended to read:

Subd. 3. **Grants.** The ~~Minnesota Humanities Center~~ commissioner shall allocate grant funds to nonprofit organizations that work with Minnesota-based farmers' markets to provide up to \$10 vouchers to SNAP or SUN bucks (Summer EBT) participants who use electronic benefits transfer (EBT) cards for healthy purchases. Funds may also be provided for vouchers distributed through nonprofit organizations engaged in healthy cooking and food education outreach to eligible households for use at farmers' markets. Funds appropriated under this section may not be used for healthy cooking classes or food education outreach. When awarding grants, the ~~Minnesota Humanities Center~~ commissioner must consider how the nonprofit organizations will achieve geographic balance, including specific efforts to reach eligible households across the state, and the organizations' capacity to manage the programming and outreach.

Sec. 25. Minnesota Statutes 2024, section 138.912, subdivision 4, is amended to read:

Subd. 4. **Household eligibility; participation.** To be eligible for a healthy eating, here at home voucher, an eligible household must meet the Minnesota SNAP or SUN bucks (Summer EBT) eligibility requirements ~~under section 142F.10.~~

Sec. 26. Minnesota Statutes 2024, section 138.912, subdivision 6, is amended to read:

Subd. 6. **Program reporting.** The nonprofit organizations that receive grant funds must report annually to the ~~Minnesota Humanities Center~~ commissioner with information regarding the operation of the program, including the number of vouchers issued and the number of people served. To the extent practicable, the nonprofit organizations must report on the usage of the vouchers and evaluate the program's effectiveness.

Sec. 27. Minnesota Statutes 2024, section 144.50, is amended by adding a subdivision to read:

Subd. 8. **Controlling person.** (a) "Controlling person" includes the following individuals, if applicable, as deemed appropriate by the hospital:

(1) any officer of the organization;

(2) any hospital administrator; and

(3) any managerial official.

(b) Controlling person does not include:

(1) a bank, savings bank, trust company, savings association, credit union, industrial loan and thrift company, investment banking firm, or insurance company, unless the entity directly or through a subsidiary operates a hospital;

(2) government and government-sponsored entities such as the United States Department of Housing and Urban Development, Ginnie Mae, Fannie Mae, Freddie Mac, and the Minnesota Housing Finance Agency which provide loans, financing, and insurance products for housing sites;

(3) an individual who is a state or federal official, a state or federal employee, or a member or employee of the governing body of a political subdivision of the state or federal government that operates one or more hospitals, unless the individual is also an officer, owner, or managerial official of the hospital; receives any remuneration from a hospital; or is a controlling person not otherwise excluded in this subdivision;

(4) a natural person who is a member of a tax-exempt organization under section 290.05, subdivision 2, unless the individual is also a controlling person not otherwise excluded in this subdivision; and

(5) a natural person who owns less than five percent of the outstanding common shares of a corporation:

(i) whose securities are exempt by virtue of section 80A.45, clause (6); or

(ii) whose transactions are exempt by virtue of section 80A.46, clause (7).

Sec. 28. Minnesota Statutes 2024, section 144.555, subdivision 1a, is amended to read:

Subd. 1a. **Notice of closing, curtailing operations, relocating services, or ceasing to offer certain services; hospitals.** (a) The controlling persons of a hospital licensed under sections 144.50 to 144.56 or a hospital campus must notify the commissioner of health, the public, and others at least 182 days before the hospital or hospital campus voluntarily plans to implement one of the scheduled actions listed in paragraph (b), unless the controlling persons can demonstrate to the commissioner that meeting the advanced notice requirement is not feasible and the commissioner approves a shorter advanced notice.

(b) The following scheduled actions require advanced notice under paragraph (a):

(1) ceasing operations;

(2) curtailing operations to the extent that emergency department services or patients receiving inpatient health services must be relocated;

(3) relocating the provision of inpatient health services or emergency department services to another hospital or ~~another~~ hospital campus; or

(4) ceasing to offer inpatient maternity care and inpatient newborn care services, inpatient intensive care unit services, inpatient mental health services, or inpatient substance use disorder treatment services.

(c) A notice required under this subdivision must comply with the requirements in subdivision 1d.

(d) The commissioner shall cooperate with the controlling persons and advise them about relocating the patients.

(e) For purposes of this subdivision, "inpatient" means services that are provided to a person who has been admitted to a hospital for bed occupancy.

Sec. 29. Minnesota Statutes 2024, section 144.555, subdivision 1b, is amended to read:

Subd. 1b. **Public hearing.** Within 30 days after receiving notice under subdivision 1a, the commissioner shall conduct a public hearing on the scheduled cessation of operations, curtailment of operations, relocation of health services, or cessation in offering health services. The commissioner must provide adequate public notice of the hearing in a time and manner determined by the commissioner. The commissioner must ensure that video conferencing technology is used at the public hearing to allow members of the public to view and participate in the hearing. The controlling persons of the hospital or hospital campus must participate in the public hearing. The public hearing must be held at a location that is within ten miles of the hospital or hospital campus or with the commissioner's approval as close as is practicable, that can accommodate the hearing's anticipated public attendance, and that is provided or arranged by the hospital or hospital campus. ~~Video conferencing technology must be used to allow members of the public to view and participate in the hearing.~~ The public hearing must include:

(1) an explanation by the controlling persons of the reasons for ceasing or curtailing operations, relocating health services, or ceasing to offer any of the listed health services;

(2) a description of the actions that controlling persons will take to ensure that residents in the hospital's or campus's service area have continued access to the health services being eliminated, curtailed, or relocated;

(3) an opportunity for at least one hour of public testimony on the scheduled cessation or curtailment of operations, relocation of health services, or cessation in offering any of the listed health services, and on the hospital's or campus's plan to ensure continued access to those health services being eliminated, curtailed, or relocated; and

(4) an opportunity for the controlling persons to respond to questions from interested persons.

Sec. 30. **[144.6584] INFORMED CONSENT REQUIRED FOR SENSITIVE EXAMINATIONS.**

Subdivision 1. **Definition.** For purposes of this section, "sensitive examination" means a pelvic, breast, urogenital, or rectal examination.

Subd. 2. **Informed consent required; exceptions.** A health professional, or a student or resident participating in a course of instruction, clinical training, or a residency program for a health profession, must not perform a sensitive examination on an anesthetized or unconscious patient unless:

(1) the patient or the patient's legally authorized representative provided prior written, informed consent to the sensitive examination for preventive, diagnostic, or treatment purposes;

(2) the patient or the patient's legally authorized representative provided prior written, informed consent to the sensitive examination being performed solely for educational or training purposes;

(3) the patient or the patient's legally authorized representative provided prior written, informed consent to a surgical procedure or diagnostic examination and the sensitive examination is related to that surgical procedure or diagnostic examination and is medically necessary;

(4) the patient is unconscious and incapable of providing informed consent and the sensitive examination is medically necessary for diagnostic or treatment purposes; or

(5) the sensitive examination is performed by a health professional qualified to perform the examination and is performed for purposes of collecting evidence or documenting injuries.

Subd. 3. **Ground for disciplinary action.** A person who violates this section is subject to disciplinary action by the health-related licensing board regulating the person.

Sec. 31. Minnesota Statutes 2024, section 145.987, subdivision 1, is amended to read:

Subdivision 1. **Establishment; composition of advisory council.** The health equity advisory and leadership (HEAL) council consists of 18 members appointed by the commissioner of health, including but not limited to members who will provide representation from the following groups:

- (1) African American and African heritage communities;
- (2) Asian American and Pacific Islander communities;
- (3) Latina/o/x communities;
- (4) American Indian communities and Tribal governments and nations;
- (5) disability communities;
- (6) lesbian, gay, bisexual, transgender, and queer (LGBTQ) communities; and
- (7) representatives who reside outside the seven-county metropolitan area.

Sec. 32. Minnesota Statutes 2024, section 145.987, subdivision 2, is amended to read:

Subd. 2. **Organization and meetings.** (a) Terms, compensation, and removal of members of the advisory council shall be as provided in section 15.059, subdivisions 2 to 4, except that terms for advisory council members shall be for two years. Members may be reappointed to serve up to two additional terms. Notwithstanding section 15.059, subdivision 6, the advisory council shall not expire. ~~The commissioner shall recommend appointments to replace members vacating their positions in a timely manner, no more than three months after the advisory council reviews panel recommendations.~~

(b) The commissioner must convene meetings at least quarterly and must provide meeting space and administrative support to the advisory council. Subcommittees may be convened as necessary. Advisory council meetings are subject to the Open Meeting Law under chapter 13D.

Sec. 33. **[148.781] CENTRAL SERVICE TECHNICIAN.**

Subdivision 1. **Application.** This section applies to persons who perform the functions of a central service technician in a health care facility.

Subd. 2. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "central service technician" means a person who decontaminates, inspects, assembles, packages, and sterilizes reusable medical instruments or devices used by a health care facility;

(2) "health care facility" means a hospital or ambulatory surgical center; and

(3) "health care practitioner" means an individual regulated by a health-related licensing board as defined in section 214.01, subdivision 2, or by the commissioner of health under sections 148.511 to 148.5198, to the extent the individual provides services in a health care facility and the tasks of a central service technician are within the individual's scope of practice. Health care practitioner includes an intern, resident, or fellow who performs or assists with surgery.

Subd. 3. Requirements for central service technician. (a) A health care facility shall employ or otherwise retain the services of a central service technician only if the central service technician:

(1) has successfully passed a nationally accredited examination for central service technicians and holds and maintains one of the following credentials administered by a nationally accredited central service technician credentialing organization: a certified registered central service technician credential, a certified endoscope reprocessor credential, a certified sterile processing and distribution technician credential, or a certified flexible endoscope reprocessor credential; or

(2) provides evidence that the person was employed by or was retained as a central service technician by a health care facility on or before December 31, 2027.

(b) A central service technician who does not meet the requirements of paragraph (a), clause (1), shall have 24 months from the date of hire to obtain a certified registered central service technician credential, a certified endoscope reprocessor credential, a certified sterile processing and distribution technician credential, or a certified flexible endoscope reprocessor credential.

(c) A person who qualifies to operate as a central service technician in a health care facility under paragraph (a) must annually complete ten hours of continuing education credits to remain qualified to operate as a central service technician. The continuing education required under this paragraph must be related to the functions of a central service technician.

(d) Nothing in this subdivision shall prohibit the following persons from performing the tasks or functions of a central service technician:

(1) a health care practitioner;

(2) a person who holds or maintains a registration, certification, or license by a nationally accredited credentialing organization to perform health care services; or

(3) a student or intern performing the functions of a central service technician under the direct supervision of a health care practitioner as part of the student's or intern's training or internship.

(e) A health care facility shall, upon the written request of a central service technician, verify in writing the central service technician's dates of employment or the contract period during which the central service technician provided services to the health care facility.

EFFECTIVE DATE. This section is effective 180 days after final enactment.

Sec. 34. TRANSFER OF PROGRAM.

The healthy eating, here at home program is transferred from the Minnesota Humanities Center to the Department of Health on July 1, 2025. The provisions of Minnesota Statutes, section 15.039, apply to this transfer.

Sec. 35. REVISOR INSTRUCTION.

The revisor of statutes shall renumber Minnesota Statutes, section 138.912, as section 144.0554. The revisor shall make any cross-reference changes necessary resulting from the renumbering of the healthy eating, here at home program.

Sec. 36. **REPEALER.**

Minnesota Statutes 2024, section 62K.10, subdivision 3, is repealed.

ARTICLE 3**HEALTH LICENSING BOARDS**

Section 1. Minnesota Statutes 2024, section 144.99, subdivision 1, is amended to read:

Subdivision 1. **Remedies available.** The provisions of chapters 103I and 157 and sections 115.71 to 115.77; 144.12, subdivision 1, paragraphs (1), (2), (5), (6), (10), (12), (13), (14), and (15); 144.1201 to 144.1204; 144.121; 144.1215; 144.1222; 144.35; 144.381 to 144.385; 144.411 to 144.417; 144.495; 144.71 to 144.74; 144.9501 to 144.9512; 144.97 to 144.98; 144.992; 147.037, subdivision 1b, paragraph (d); 326.70 to 326.785; 327.10 to 327.131; and 327.14 to 327.28 and all rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, certificates, and permits adopted or issued by the department or under any other law now in force or later enacted for the preservation of public health may, in addition to provisions in other statutes, be enforced under this section.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 2. Minnesota Statutes 2024, section 144A.43, subdivision 15, is amended to read:

Subd. 15. **Occupational therapist.** "Occupational therapist" ~~means a person who is licensed under sections 148.6401 to 148.6449~~ has the meaning given in section 148.6402, subdivision 14.

Sec. 3. Minnesota Statutes 2024, section 144G.08, subdivision 45, is amended to read:

Subd. 45. **Occupational therapist.** "Occupational therapist" ~~means a person who is licensed under sections 148.6401 to 148.6449~~ has the meaning given in section 148.6402, subdivision 14.

Sec. 4. Minnesota Statutes 2024, section 147.01, subdivision 7, is amended to read:

Subd. 7. **Physician application and license fees.** (a) The board may charge the following nonrefundable application and license fees processed pursuant to sections 147.02, 147.03, 147.037, 147.0375, and 147.38:

- (1) physician application fee, \$200;
- (2) physician annual registration renewal fee, \$192;
- (3) physician endorsement to other states, \$40;
- (4) physician emeritus license, \$50;
- (5) physician late fee, \$60;
- (6) nonrenewable 24-month limited license, \$392;
- (7) initial physician license for limited license holder, \$192;
- ~~(6)~~ (8) duplicate license fee, \$20;
- ~~(7)~~ (9) certification letter fee, \$25;

~~(8)~~ (10) education or training program approval fee, \$100;

~~(9)~~ (11) report creation and generation fee, \$60 per hour;

~~(10)~~ (12) examination administration fee (half day), \$50;

~~(11)~~ (13) examination administration fee (full day), \$80;

~~(12)~~ (14) fees developed by the Interstate Commission for determining physician qualification to register and participate in the interstate medical licensure compact, as established in rules authorized in and pursuant to section 147.38, not to exceed \$1,000; and

~~(13)~~ (15) verification fee, \$25.

(b) The board may prorate the initial annual license fee. All licensees are required to pay the full fee upon license renewal. The revenue generated from the fee must be deposited in an account in the state government special revenue fund.

Sec. 5. Minnesota Statutes 2024, section 147.037, is amended by adding a subdivision to read:

Subd. 1b. **Limited license.** (a) A limited license under this subdivision is valid for one 24-month period and is not renewable or eligible for reapplication. The board may issue a limited license, valid for 24 months, to any person who satisfies the requirements of subdivision 1, paragraphs (a) to (c) and (e) to (g), and who:

(1) pursuant to a license or other authorization to practice, has practiced medicine, as defined in section 147.081, subdivision 3, clauses (2) to (4), for at least 60 months in the previous 12 years outside of the United States;

(2) submits sufficient evidence of an offer to practice within the context of a collaborative agreement within a hospital or clinical setting where the limited license holder and physicians work together to provide patient care;

(3) provides services in a designated rural area or underserved urban community as defined in section 144.1501; and

(4) submits two letters of recommendation in support of a limited license, which must include one letter from a physician with whom the applicant previously worked and one letter from an administrator of the hospital or clinical setting in which the applicant previously worked. The letters of recommendation must attest to the applicant's good medical standing. The board may accept alternative forms of proof that demonstrate good medical standing where there are extenuating circumstances that prevent an applicant from providing letters.

(b) For purposes of this subdivision, a person has satisfied the requirements of subdivision 1, paragraph (e), if the person has passed steps or levels one and two of the USMLE or the COMLEX-USA with passing scores as recommended by the USMLE program or National Board of Osteopathic Medical Examiners within three attempts.

(c) A person issued a limited license under this subdivision must not be required to present evidence satisfactory to the board of the completion of one year of graduate clinical medical training in a program accredited by a national accrediting organization approved by the board.

(d) An employer of a limited license holder must pay the limited license holder at least an amount equivalent to a medical resident in a comparable field. The employer must carry medical malpractice insurance

covering a limited license holder for the duration of the employment. The commissioner of health may issue a correction order under section 144.99, subdivision 3, requiring an employer to comply with this paragraph. An employer must not retaliate against or discipline an employee for raising a complaint or pursuing enforcement relating to this paragraph.

(e) The board may issue a full and unrestricted license to practice medicine to a person who holds a limited license issued pursuant to paragraph (a) and who has:

(1) held the limited license for two years and is in good standing to practice medicine in this state;

(2) practiced for a minimum of 1,692 hours per year for each of the previous two years;

(3) submitted a letter of recommendation in support of a full and unrestricted license containing all attestations required under paragraph (i) from any physician who participated in the collaborative agreement;

(4) passed steps or levels one, two, and three of the USMLE or COMLEX-USA with passing scores as recommended by the USMLE program or National Board of Osteopathic Medical Examiners within three attempts; and

(5) completed 20 hours of continuing medical education.

(f) A limited license holder must submit to the board, every six months or upon request, a statement certifying whether the person is still employed as a physician in this state and whether the person has been subjected to professional discipline as a result of the person's practice. The board may suspend or revoke a limited license if a majority of the board determines that the limited license holder is no longer employed as a physician in this state by an employer. The limited license holder must be granted an opportunity to be heard prior to the board's determination. Upon request by the limited license holder, the limited license holder may have 90 days to regain employment. A limited license holder may change employers during the duration of the limited license if the limited license holder has another offer of employment. In the event that a change of employment occurs, the limited license holder must still work the number of hours required under paragraph (e), clause (2), to be eligible for a full and unrestricted license to practice medicine.

(g) In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend the license of a limited license holder if the board finds that the limited license holder has violated a statute or rule that the board is empowered to enforce and continued practice by the limited license holder would create a serious risk of harm to the public. The suspension takes effect upon written notice to the limited license holder, specifying the statute or rule violated. The suspension remains in effect until the board issues a final order in the matter after a hearing. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held pursuant to the Administrative Procedure Act. The limited license holder shall be provided with at least 20 days' notice of any hearing held pursuant to this subdivision. The hearing shall be scheduled to begin no later than 30 days after the issuance of the suspension order.

(h) For purposes of this subdivision, "collaborative agreement" means a mutually agreed upon plan for the overall working relationship and collaborative arrangement between a holder of a limited license and one or more physicians licensed under this chapter that designates the scope of services that can be provided to manage the care of patients. The limited license holder and one of the collaborating physicians must have experience in providing care to patients with the same or similar medical conditions. Under the collaborative agreement, the limited license holder must shadow the collaborating physician for four weeks, after which time the limited license holder must staff all patient encounters with the collaborating physician for an additional four weeks. After eight weeks, the collaborating physician has discretion to allow the limited license holder to see patients independently and may, at the discretion of the collaborating physician, require

the limited license holder to present patients. However, the limited license holder must be supervised by the collaborating physician for a minimum of two hours per week. A limited license holder may practice medicine without a collaborating physician physically present, but the limited license holder and collaborating physicians must be able to easily contact each other by radio, telephone, or other telecommunication device while the limited license holder practices medicine. The limited license holder must have one-on-one practice reviews with each collaborating physician, provided in person or through eye-to-eye electronic media while maintaining visual contact, for at least two hours per week.

(i) At least one collaborating physician must submit a letter to the board, after the limited license holder has practiced under the license for 12 months, attesting to the following:

(1) the limited license holder has a basic understanding of federal and state laws regarding the provision of health care, including but not limited to:

(i) medical licensing obligations and standards; and

(ii) the Health Insurance Portability and Accountability Act, Public Law 104-191;

(2) the limited license holder has a basic understanding of documentation standards;

(3) the limited license holder has a thorough understanding of which medications are available and unavailable in the United States;

(4) the limited license holder has a thorough understanding of American medical standards of care;

(5) the limited license holder has demonstrated mastery of each of the following:

(i) gathering a history and performing a physical exam;

(ii) developing and prioritizing a differential diagnosis following a clinical encounter and selecting a working diagnosis;

(iii) recommending and interpreting common diagnostic and screening tests;

(iv) entering and discussing orders and prescriptions;

(v) providing an oral presentation of a clinical encounter;

(vi) giving a patient handover to transition care responsibly;

(vii) recognizing a patient requiring urgent care and initiating an evaluation; and

(viii) obtaining informed consent for tests, procedures, and treatments; and

(6) the limited license holder is providing appropriate medical care.

(j) The board must not grant a license under this section unless the applicant possesses federal immigration status that allows the applicant to practice as a physician in the United States.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 6. Minnesota Statutes 2024, section 147D.03, subdivision 1, is amended to read:

Subdivision 1. **General.** Within the meaning of sections 147D.01 to 147D.27, a person who shall publicly profess to be a traditional midwife and who, for a fee, shall assist or attend to a woman in pregnancy,

childbirth outside a hospital, and postpartum, shall be regarded as practicing traditional midwifery. A certified midwife licensed by the Board of Nursing under chapter 148G is not subject to the provisions of this chapter.

Sec. 7. Minnesota Statutes 2024, section 148.108, subdivision 1, is amended to read:

Subdivision 1. **Fees.** ~~In addition to the fees established in Minnesota Rules, chapter 2500,~~ The board is authorized to charge the fees in this section.

Sec. 8. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision to read:

Subd. 5. **Chiropractic license fees.** Fees for chiropractic licensure are the following amounts but may be adjusted lower by board action:

(1) initial application for licensure fee, \$300;

(2) annual renewal of an active license fee, \$250;

(3) annual renewal of an inactive license fee, 75 percent of the current active license renewal fee under clause (2);

(4) late renewal penalty fee, \$150 per month late; and

(5) application for reinstatement of a voluntarily retired or inactive license fee, \$187.50.

Sec. 9. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision to read:

Subd. 6. **Acupuncture registration fees.** Fees for acupuncture registration are the following amounts but may be adjusted lower by board action:

(1) initial application acupuncture registration fee, \$200;

(2) annual renewal of active acupuncture registration fee, \$100;

(3) annual renewal of inactive acupuncture registration fee, 75 percent of the current active acupuncture registration renewal fee under clause (2); and

(4) reinstatement of nonrenewed acupuncture registration fee, \$200.

Sec. 10. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision to read:

Subd. 7. **Independent examiner registration fees.** Fees for independent examiner registration are the following amounts but may be adjusted lower by board action:

(1) initial application independent examiner registration fee, \$200;

(2) annual renewal of independent examiner registration fee, \$100; and

(3) reinstatement of nonrenewed independent examiner registration fee, \$200.

Sec. 11. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision to read:

Subd. 8. **Animal chiropractic registration fees.** Fees for animal chiropractic registration are the following amounts but may be adjusted lower by board action:

(1) initial application animal chiropractic registration fee, \$200;

(2) annual renewal of active animal chiropractic registration fee, \$100;

(3) annual renewal of inactive animal chiropractic registration fee, 75 percent of the current active animal chiropractic renewal fee under clause (2); and

(4) reinstatement of nonrenewed animal chiropractic registration fee, \$200.

Sec. 12. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision to read:

Subd. 9. **Graduate preceptorship registration fee.** The application fee for graduate preceptorship registration is \$250, but may be adjusted lower by board action.

Sec. 13. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision to read:

Subd. 10. **Professional firm registration fees.** In addition to fees authorized under chapter 319B, the late renewal penalty fee for professional firm registration is \$5 per month late.

Sec. 14. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision to read:

Subd. 11. **Miscellaneous fees.** Fees under this subdivision are the following amounts but may be adjusted lower by board action:

(1) annual continuing education sponsorship fee, \$600;

(2) individual continuing education seminar sponsorship fee, \$200;

(3) mailing list request fee, \$200;

(4) license verification fee, \$20;

(5) duplicate certificate fee, \$20; and

(6) document copies fee, \$0.25 per side of document page.

Sec. 15. Minnesota Statutes 2024, section 148.191, subdivision 2, is amended to read:

Subd. 2. **Powers.** (a) The board is authorized to adopt and, from time to time, revise rules not inconsistent with the law, as may be necessary to enable it to carry into effect the provisions of sections 148.171 to 148.285 and chapter 148G. The board shall prescribe by rule curricula and standards for schools and courses preparing persons for licensure under sections 148.171 to 148.285 and 148G.12. It shall conduct or provide for surveys of such schools and courses at such times as it may deem necessary. It shall approve such schools and courses as meet the requirements of sections 148.171 to 148.285 or section 148G.12, and board rules. It shall examine, license, and renew the license of duly qualified applicants. It shall hold examinations at least once in each year at such time and place as it may determine. It shall by rule adopt, evaluate, and periodically revise, as necessary, requirements for licensure and for registration and renewal of registration as defined in section 148.231 and chapter 148G. It shall maintain a record of all persons licensed by the board to practice advanced practice, professional, or practical nursing, or certified as a midwife. It shall cause the prosecution of all persons violating sections 148.171 to 148.285 or chapter 148G, and have power to incur such necessary expense therefor. It shall register public health nurses who meet educational and other requirements established by the board by rule, including payment of a fee. It shall have power to issue

subpoenas, and to compel the attendance of witnesses and the production of all necessary documents and other evidentiary material. Any board member may administer oaths to witnesses, or take their affirmation. It shall keep a record of all its proceedings.

(b) The board shall have access to hospital, nursing home, and other medical records of a patient cared for by a nurse or certified midwife under review. If the board does not have a written consent from a patient permitting access to the patient's records, the nurse, certified midwife, or facility shall delete any data in the record that identifies the patient before providing it to the board. The board shall have access to such other records as reasonably requested by the board to assist the board in its investigation. Nothing herein may be construed to allow access to any records protected by section 145.64. The board shall maintain any records obtained pursuant to this paragraph as investigative data under chapter 13.

(c) The board may accept and expend grants or gifts of money or in-kind services from a person, a public or private entity, or any other source for purposes consistent with the board's role and within the scope of its statutory authority.

(d) The board may accept registration fees for meetings and conferences conducted for the purposes of board activities that are within the scope of its authority.

Sec. 16. Minnesota Statutes 2024, section 148.241, is amended to read:

148.241 EXPENSES.

Subdivision 1. **Appropriation.** The expenses of administering sections 148.171 to 148.285 and chapter 148G shall be paid from the appropriation made to the Minnesota Board of Nursing.

Subd. 2. **Expenditure.** All amounts appropriated to the board shall be held subject to the order of the board to be used only for the purpose of meeting necessary expenses incurred in the performance of the purposes of sections 148.171 to 148.285 and chapter 148G, and the duties imposed thereby as well as the promotion of nursing or certified midwifery education and standards of nursing or certified midwifery care in this state.

Sec. 17. Minnesota Statutes 2024, section 148.512, subdivision 17a, is amended to read:

Subd. 17a. **Speech-language pathology assistant.** "Speech-language pathology assistant" means a person who meets the qualifications under section 148.5181 and provides speech-language pathology services under the supervision of a licensed speech-language pathologist under sections 122A.183 and 122A.184 or in accordance with section 148.5192.

Sec. 18. Minnesota Statutes 2024, section 148.5192, subdivision 3, is amended to read:

Subd. 3. **Supervision requirements.** (a) A supervising speech-language pathologist shall authorize and accept full responsibility for the performance, practice, and activity of a speech-language pathology assistant. The amount and type of supervision required must be based on the skills and experience of the speech-language pathology assistant. A minimum of one hour every 30 days of consultative supervision time must be documented for each speech-language pathology assistant.

(b) A supervising speech-language pathologist must:

(1) be licensed under sections 122A.183, 122A.184, or 148.511 to 148.5198;

(2) hold a certificate of clinical competence from the American Speech-Language-Hearing Association or its equivalent as approved by the commissioner; and

(3) have completed at least ten hours of continuing education in supervision.

(c) Once every 60 days, the supervising speech-language pathologist must treat or cotreat with the speech-language pathology assistant each client on the speech-language pathology assistant's caseload.

(d) For purposes of this section, "direct supervision" means observation and guidance by the supervising speech-language pathologist during the performance of a delegated duty that occurs either on-site and in-view or through the use of real-time, two-way interactive audio and visual communication. The supervision requirements described in this section are minimum requirements. Additional supervision requirements may be imposed at the discretion of the supervising speech-language pathologist.

(e) A supervising speech-language pathologist must be available to communicate with a speech-language pathology assistant at any time the assistant is in direct contact with a client.

(f) A supervising speech-language pathologist must document activities performed by the assistant that are directly supervised by the supervising speech-language pathologist. At a minimum, the documentation must include:

(1) information regarding the quality of the speech-language pathology assistant's performance of the delegated duties; and

(2) verification that any delegated clinical activity was limited to duties authorized to be performed by the speech-language pathology assistant under this section.

(g) A supervising speech-language pathologist must review and cosign all informal treatment notes signed or initialed by the speech-language pathology assistant.

(h) A full-time, speech-language pathologist may supervise no more than two full-time, speech-language pathology assistants or the equivalent of two full-time assistants.

(i) If the commissioner determines that a speech-language pathology assistant licensed under section 148.5181 violates any part of sections 148.511 to 148.5198 and is supervised by a speech-language pathologist licensed by the Professional Educator Licensing and Standards Board (PELSB), the commissioner must immediately notify PELSB. Upon such notification, PELSB must initiate an investigation of the supervising speech-language pathologist. PELSB must share the result of the investigation with the commissioner.

Sec. 19. Minnesota Statutes 2024, section 148.5194, subdivision 3b, is amended to read:

Subd. 3b. **Speech-language pathology assistant licensure fees.** The fee for initial licensure as a speech-language pathology assistant ~~is \$493~~ must not exceed \$220. The fee for licensure renewal for a speech-language pathology assistant ~~is \$493~~ must not exceed \$220.

Sec. 20. Minnesota Statutes 2024, section 148.6401, is amended to read:

148.6401 SCOPE.

Sections 148.6401 to ~~148.6449~~ 148.645 apply to persons who are applicants for licensure, who are licensed, who use protected titles, or who represent that they are licensed as ~~occupational therapists or occupational therapy assistants~~ practitioners.

Sec. 21. Minnesota Statutes 2024, section 148.6402, subdivision 1, is amended to read:

Subdivision 1. **Scope.** For the purpose of sections 148.6401 to ~~148.6449~~ 148.645, the following terms have the meanings given them.

Sec. 22. Minnesota Statutes 2024, section 148.6402, is amended by adding a subdivision to read:

Subd. 2a. **Accreditation Council for Occupational Therapy Education or ACOTE.** "Accreditation Council for Occupational Therapy Education" or "ACOTE" means the entity that accredits occupational therapy education programs in the United States and its territories and establishes, approves, and administers educational standards ensuring consistency across all occupational therapy education.

Sec. 23. Minnesota Statutes 2024, section 148.6402, is amended by adding a subdivision to read:

Subd. 5a. **Continuing competence.** "Continuing competence" means the process in which an occupational therapy practitioner develops and maintains the knowledge, critical reasoning, interpersonal skills, performance skills, and ethical practice necessary to perform their occupational therapy responsibilities.

Sec. 24. Minnesota Statutes 2024, section 148.6402, subdivision 7, is amended to read:

Subd. 7. ~~Credentialing~~ **Certification examination for occupational therapist.** "Certification examination for occupational therapist" means the examination sponsored by the National Board for Certification in Occupational Therapy for ~~credentialing~~ certification as ~~an~~ a registered occupational therapist, registered.

Sec. 25. Minnesota Statutes 2024, section 148.6402, subdivision 8, is amended to read:

Subd. 8. ~~Credentialing~~ **Certification examination for occupational therapy assistant.** "Certification examination for occupational therapy assistant" means the examination sponsored by the National Board for Certification in Occupational Therapy for ~~credentialing~~ certification as a certified occupational therapy assistant.

Sec. 26. Minnesota Statutes 2024, section 148.6402, is amended by adding a subdivision to read:

Subd. 12a. **Face-to-face supervision.** "Face-to-face supervision" means supervision occurring between a supervisor and a supervisee within each other's sight or presence. Face-to-face supervision includes real-time audio and video communication where the supervisor and supervisee can see each other and clearly visualize the services being provided.

Sec. 27. Minnesota Statutes 2024, section 148.6402, subdivision 13, is amended to read:

Subd. 13. **Licensed health care professional.** "Licensed health care professional" means a person licensed in good standing in Minnesota to practice medicine, osteopathic medicine, chiropractic, podiatry, advanced practice registered nursing, or dentistry, or is a person registered as a licensed physician assistant in Minnesota.

Sec. 28. Minnesota Statutes 2024, section 148.6402, is amended by adding a subdivision to read:

Subd. 13a. **National Board for Certification in Occupational Therapy or NBCOT.** "National Board for Certification in Occupational Therapy" or "NBCOT" means the entity that administers the certification

examination and provides initial and renewal board certification for occupational therapy practitioners providing services in the United States, or any successor entity performing the certification examination and initial and renewal board certification.

Sec. 29. Minnesota Statutes 2024, section 148.6402, subdivision 14, is amended to read:

Subd. 14. **Occupational therapist.** "Occupational therapist" means an individual ~~who meets the qualifications in sections 148.6401 to 148.6449 and is licensed by the board~~ licensed to practice occupational therapy under sections 148.6401 to 148.645 who is responsible for and directs the evaluation process, discharge planning process, development of intervention plans, and provision of occupational therapy services.

Sec. 30. Minnesota Statutes 2024, section 148.6402, subdivision 16, is amended to read:

Subd. 16. **Occupational therapy assistant.** "Occupational therapy assistant" means an individual ~~who meets the qualifications for an occupational therapy assistant in sections 148.6401 to 148.6449 and is licensed by the board~~ licensed to assist in the practice of occupational therapy under sections 148.6401 to 148.645 who works under the appropriate supervision of and in partnership with an occupational therapist, unless exempted under section 148.6432.

Sec. 31. Minnesota Statutes 2024, section 148.6402, subdivision 16a, is amended to read:

Subd. 16a. **Occupational therapy practitioner.** "Occupational therapy practitioner" means any individual licensed as either an occupational therapist or occupational therapy assistant under sections 148.6401 to ~~148.6449~~ 148.645.

Sec. 32. Minnesota Statutes 2024, section 148.6402, subdivision 19, is amended to read:

Subd. 19. **License or licensed.** "License" or "licensed" means the act or status of a natural person who meets the requirements of sections 148.6401 to ~~148.6449~~ 148.645.

Sec. 33. Minnesota Statutes 2024, section 148.6402, subdivision 20, is amended to read:

Subd. 20. **Licensee.** "Licensee" means a person who meets the requirements of sections 148.6401 to ~~148.6449~~ 148.645.

Sec. 34. Minnesota Statutes 2024, section 148.6402, subdivision 23, is amended to read:

Subd. 23. **Service competency.** (a) "Service competency" of an occupational therapy assistant in performing evaluation tasks means the ability of an occupational therapy assistant to obtain the same information as the supervising occupational therapist when evaluating a client's function.

(b) "Service competency" of an occupational therapy assistant in performing treatment procedures means the ability of an occupational therapy assistant to perform treatment procedures in a manner such that the outcome, documentation, and follow-up are equivalent to that which would have been achieved had the supervising occupational therapist performed the treatment procedure.

(c) "Service competency" of an occupational therapist means the ability of an occupational therapist to consistently perform an assessment task or intervention procedure with the level of skill recognized as

satisfactory within the ~~appropriate acceptable prevailing practice~~ national practice standards of occupational therapy.

Sec. 35. Minnesota Statutes 2024, section 148.6402, subdivision 25, is amended to read:

Subd. 25. **Temporary licensure.** "Temporary licensure" means a method of licensure described in section 148.6418, by which an individual who (1) has completed an approved or accredited education program but has not met the examination requirement; or (2) possesses a credential from another jurisdiction or the National Board for Certification in Occupational Therapy but who has not submitted the documentation required by section 148.6420, ~~subdivisions 3 and 4~~, may qualify for Minnesota licensure for a limited time period.

Sec. 36. Minnesota Statutes 2024, section 148.6403, is amended to read:

148.6403 LICENSURE; PROTECTED TITLES AND RESTRICTIONS ON USE; EXEMPT PERSONS; SANCTIONS.

Subdivision 1. **Unlicensed practice prohibited.** A person must not engage in the practice of occupational therapy unless the person is licensed as an occupational therapy practitioner in accordance with sections 148.6401 to ~~148.6449~~ 148.645.

Subd. 2. **Protected titles and restrictions on use.** Use of the phrase "occupational therapy," ~~or~~ "occupational therapist," or "occupational therapy assistant," or the initials "OT" or "OTA" alone or in combination with any other words or initials to form an occupational title, or to indicate or imply that the person is licensed by the state as an occupational therapist or occupational therapy assistant, is prohibited unless that person is licensed under sections 148.6401 to ~~148.6449~~ 148.645.

Subd. 3. **Use of "Minnesota licensed."** Use of the term "Minnesota licensed" in conjunction with titles protected under this section by any person is prohibited unless that person is licensed under sections 148.6401 to ~~148.6449~~ 148.645.

Subd. 4. **Persons licensed or certified in other states.** A person who is licensed in Minnesota and licensed or certified in another state jurisdiction may use the designation "licensed" or "certified" with a protected title only if the state jurisdiction of licensure or certification is clearly indicated.

Subd. 5. **Exempt persons.** This section does not apply to:

(1) a person employed as an occupational therapy practitioner by the government of the United States or any agency of it. However, use of the protected titles under those circumstances is allowed only in connection with performance of official duties for the federal government;

(2) a student participating in supervised fieldwork or supervised coursework that is necessary to meet the requirements of section 148.6408, subdivision 1, or 148.6410, subdivision 1, if the person is designated by a title which clearly indicates the person's status as a student trainee. Any use of the protected titles under these circumstances is allowed only while the person is performing the duties of the supervised fieldwork or supervised coursework; ~~or~~

~~(3) a person visiting and then leaving the state and performing occupational therapy services while in the state, if the services are performed no more than 30 days in a calendar year as part of a professional activity that is limited in scope and duration and is in association with an occupational therapist licensed under sections 148.6401 to 148.6449, and~~

~~(i) the (3) a person who is credentialed under the law of another state which that has credentialing requirements at least as stringent as the requirements of sections 148.6401 to 148.6449~~ 148.645; or

~~(ii) the (4) a person who meets the requirements for certification as an occupational therapist registered (OTR) or a certified occupational therapy assistant (COTA), established by the National Board for Certification in Occupational Therapy;~~ or

(5) an occupational therapy practitioner who possesses an active compact privilege under section 148.645.

Subd. 6. **Sanctions.** A person who practices occupational therapy or holds out as an occupational therapy practitioner by or through the use of any title described in subdivision 2 without prior licensure according to sections 148.6401 to ~~148.6449~~ 148.645 is subject to sanctions or action against continuing the activity according to section 148.6448, chapter 214, or other statutory authority.

Subd. 7. **Exemption.** Nothing in sections 148.6401 to ~~148.6449~~ 148.645 shall prohibit the practice of any profession or occupation licensed or registered by the state by any person duly licensed or registered to practice the profession or occupation or to perform any act that falls within the scope of practice of the profession or occupation.

Sec. 37. Minnesota Statutes 2024, section 148.6404, is amended to read:

148.6404 SCOPE OF PRACTICE.

(a) ~~The practice of occupational therapy means the therapeutic use of everyday activities life occupations with individuals or groups, or populations for the purpose of enhancing or enabling participation in those occupations. It is the promotion of~~ The practice of occupational therapy promotes health and well-being through the use of occupational therapy services that includes screening, evaluation, intervention, and consultation to develop, recover, and maintain a client's:

(1) sensory integrative, neuromuscular, motor, emotional, motivational, cognitive, or psychosocial components of performance;

(2) daily living skills;

(3) feeding and swallowing skills;

(4) play and leisure skills;

(5) educational participation skills;

(6) functional performance and work participation skills;

(7) community mobility; and

(8) health and wellness.

(b) Occupational therapy services include but are not limited to:

(1) designing, fabricating, or applying rehabilitative technology, such as selected orthotic and prosthetic devices, and providing training in the functional use of these devices;

(2) designing, fabricating, or adapting assistive technology and providing training in the functional use of assistive devices;

(3) adapting environments using assistive technology such as environmental controls, wheelchair modifications, and positioning; ~~and~~

(4) ~~employing~~ applying physical agent, manual, and mechanical modalities in preparation for or as an adjunct to purposeful activity to meet established functional occupational therapy goals; and

(5) educating and training individuals, including families, caregivers, groups, and populations.

(c) Occupational therapy services must be based on nationally established standards of practice.

Sec. 38. Minnesota Statutes 2024, section 148.6405, is amended to read:

148.6405 LICENSURE APPLICATION REQUIREMENTS: PROCEDURES AND QUALIFICATIONS.

(a) An applicant for licensure must comply with the application requirements in section 148.6420. To qualify for licensure, an applicant must satisfy one of the requirements in ~~paragraphs (b) to (f)~~ sections 148.6408 to 148.6415, or section 148.645 and not be subject to denial of licensure under section 148.6448.

~~(b) A person who applies for licensure as an occupational therapist and who has not been credentialed by the National Board for Certification in Occupational Therapy or another jurisdiction must meet the requirements in section 148.6408.~~

~~(c) A person who applies for licensure as an occupational therapy assistant and who has not been credentialed by the National Board for Certification in Occupational Therapy or another jurisdiction must meet the requirements in section 148.6410.~~

~~(d) A person who is certified by the National Board for Certification in Occupational Therapy may apply for licensure by equivalency and must meet the requirements in section 148.6412.~~

~~(e) A person who is credentialed in another jurisdiction and who was previously certified by the National Board for Certification in Occupational Therapy may apply for licensure by reciprocity and must meet the requirements in section 148.6415.~~

~~(f)~~ (b) A person who applies for temporary licensure must meet the requirements in section 148.6418.

(c) A person who applies for licensure under section 148.6408 or 148.6410 more than two years after the person's initial NBCOT certification was issued and who has not practiced in any jurisdiction must submit:

(1) a completed and signed application for licensure on forms provided by the board that meet the requirements of section 148.6420, subdivision 1, paragraph (a), clauses (1) and (2); and

(2) proof of a minimum of 24 continuing education contact hours by an occupational therapist applicant, or a minimum of 18 hours by an occupational therapy assistant applicant, completed within the two years preceding the application and meeting the requirements of section 148.6443.

~~(g)~~ (d) A person who applies for licensure under ~~paragraph (b), (c), or (f) more than two and less than four years after meeting the examination requirements in section 148.6408, subdivision 2, or 148.6410; subdivision 2, section 148.6408 or 148.6410 after the person's initial NBCOT certification has expired must submit the following:~~

(1) a completed and signed application for licensure on forms provided by the board that meet the requirements of section 148.6420, subdivision 1, paragraph (a), clauses (1) and (2); and

(2) the license application fee required under section 148.6445; evidence of:

(i) completion of an occupational therapy refresher program that contains both theoretical and clinical components completed within the last year; or

(ii) current NBCOT certification.

~~(3) if applying for occupational therapist licensure, proof of having met a minimum of 24 contact hours of continuing education in the two years preceding licensure application, or if applying for occupational therapy assistant licensure, proof of having met a minimum of 18 contact hours of continuing education in the two years preceding licensure application;~~

~~(4) verified documentation of successful completion of 160 hours of supervised practice approved by the board under a limited license specified in section 148.6425, subdivision 3, paragraph (e); and~~

~~(5) additional information as requested by the board to clarify information in the application, including information to determine whether the individual has engaged in conduct warranting disciplinary action under section 148.6448. The information must be submitted within 30 calendar days from the date of the board's request.~~

~~(h) A person who applies for licensure under paragraph (b), (c), or (f) four years or more after meeting the examination requirements in section 148.6408, subdivision 2, or 148.6410, subdivision 2, must:~~

~~(1) meet all the requirements in paragraph (g) except clauses (3) and (4);~~

~~(2) submit documentation of having retaken and achieved a qualifying score on the credentialing examination for occupational therapists or occupational therapy assistants, or of having completed an occupational therapy refresher program that contains both a theoretical and clinical component approved by the board; and~~

~~(3) submit verified documentation of successful completion of 480 hours of supervised practice approved by the board under a limited license specified in section 148.6425, subdivision 3, paragraph (e). The 480 hours of supervised practice must be completed in six months and may be completed at the applicant's place of work. Only refresher courses completed within one year prior to the date of application qualify for approval.~~

Sec. 39. Minnesota Statutes 2024, section 148.6408, is amended by adding a subdivision to read:

Subd. 1a. **Qualifications.** To be licensed as an occupational therapist, an applicant must:

(1) satisfy the education and examination requirements of subdivisions 1b and 2; or

(2) satisfy the requirements for licensure by equivalency under section 148.6412 or licensure by reciprocity under section 148.6415 as applicable based on the current status of the applicant's NBCOT certification.

Sec. 40. Minnesota Statutes 2024, section 148.6408, subdivision 2, is amended to read:

Subd. 2. Qualifying examination score required. (a) An applicant must achieve a qualifying score on the credentialing certification examination for occupational therapist.

(b) The board shall determine the qualifying score for the credentialing certification examination for occupational therapist. ~~In determining the qualifying score, the board shall consider the cut score as recommended by the National Board for Certification in Occupational Therapy, or other national credentialing certification organization approved by the board, using the modified Angoff method for determining cut score or another method for determining cut score that is recognized as appropriate and acceptable by industry standards.~~

(c) ~~The applicant is responsible for~~ Applicants for licensure must:

(1) ~~making~~ make arrangements to take the credentialing certification examination for an occupational therapist;

(2) ~~bearing~~ bear all expenses associated with taking the examination; and

(3) ~~having the examination scores sent directly to the board from the testing service that administers the examination~~ submit an application and other materials as required by the board under section 148.6420.

Sec. 41. Minnesota Statutes 2024, section 148.6410, is amended by adding a subdivision to read:

Subd. 1a. **Qualifications.** To be licensed as an occupational therapist assistant, an applicant must:

(1) satisfy the education and examination requirements of subdivisions 1b and 2; or

(2) satisfy the requirements for licensure by equivalency under section 148.6412 or licensure by reciprocity under section 148.6415 as applicable based on the current status of the applicant's NBCOT certification.

Sec. 42. Minnesota Statutes 2024, section 148.6410, subdivision 2, is amended to read:

Subd. 2. **Qualifying examination score required.** (a) An applicant for licensure must achieve a qualifying score on the credentialing certification examination for occupational therapy assistants.

(b) The board shall determine the qualifying score for the credentialing certification examination for occupational therapy assistants. ~~In determining the qualifying score, the board shall consider the cut score as recommended by the National Board for Certification in Occupational Therapy, or other national credentialing certification organization approved by the board, using the modified Angoff method for determining cut score or another method for determining cut score that is recognized as appropriate and acceptable by industry standards.~~

(c) ~~The applicant is responsible for~~ Applicants for licensure must:

(1) ~~making~~ make all arrangements to take the credentialing certification examination for occupational therapy assistants;

(2) ~~bearing~~ bear all expense associated with taking the examination; and

(3) ~~having the examination scores sent directly to the board from the testing service that administers the examination~~ submit an application and other materials as required by the board under section 148.6420.

Sec. 43. Minnesota Statutes 2024, section 148.6412, subdivision 2, is amended to read:

Subd. 2. **Persons currently certified by National Board for Certification in Occupational Therapy NBCOT.** The board may license any person ~~certified by the National Board for Certification in Occupational Therapy~~ who holds current NBCOT certification as an occupational therapist if the board determines the

~~requirements for certification are equivalent to or exceed the requirements for licensure as an occupational therapist under section 148.6408, therapy practitioner. The board may license any person certified by the National Board for Certification in Occupational Therapy as an occupational therapy assistant if the board determines the requirements for certification are equivalent to or exceed the requirements for licensure as an occupational therapy assistant under section 148.6410. Nothing in this section limits the board's authority to deny licensure based upon the grounds for discipline in sections 148.6401 to 148.6449~~ 148.645.

Sec. 44. Minnesota Statutes 2024, section 148.6412, subdivision 3, is amended to read:

Subd. 3. **Application procedures.** Applicants for licensure by equivalency must provide:

- ~~(1) the application materials as required by section 148.6420, subdivisions subdivision 1, 3, and 4; and,~~
- ~~(2) the fees required by section 148.6445.~~

Sec. 45. Minnesota Statutes 2024, section 148.6415, is amended to read:

148.6415 LICENSURE BY RECIPROCITY.

~~A person who is not certified by the National Board for Certification in Occupational Therapy~~ The board may license any person who does not hold current NBCOT certification but who holds a compact privilege or a current credential as an occupational therapist ~~therapy practitioner in the District of Columbia or a state or territory of the United States whose standards for credentialing are determined by the board to be equivalent to or exceed the requirements for licensure under section 148.6408 may be eligible for licensure by reciprocity as an occupational therapist. A person who is not certified by the National Board for Certification in Occupational Therapy but who holds a current credential as an occupational therapy assistant in the District of Columbia or a state or territory of the United States whose standards for credentialing are determined by the board to be equivalent to or exceed the requirements for licensure under section 148.6410 may be eligible for licensure by reciprocity as an occupational therapy assistant. or 148.6410 as an occupational therapy practitioner.~~ Nothing in this section limits the board's authority to deny licensure based upon the grounds for discipline in sections 148.6401 to ~~148.6449~~ 148.645. An applicant must provide:

- (1) the application materials as required by section 148.6420, ~~subdivisions~~ subdivision 1, 3, and 4; and
- ~~(2) the fees required by section 148.6445;~~
- ~~(3) a copy of a current and unrestricted credential for the practice of occupational therapy as either an occupational therapist or occupational therapy assistant;~~
- ~~(4) a letter from the jurisdiction that issued the credential describing the applicant's qualifications that entitled the applicant to receive the credential; and~~
- ~~(5)~~ (2) other information necessary to determine whether the credentialing standards of the jurisdiction that issued the credential are equivalent to or exceed the requirements for licensure under sections 148.6401 to ~~148.6449~~ 148.645.

Sec. 46. Minnesota Statutes 2024, section 148.6418, is amended to read:

148.6418 TEMPORARY LICENSURE.

Subdivision 1. **Application.** The board shall issue temporary licensure as an occupational ~~therapist or occupational therapy assistant~~ practitioner to applicants who are not the subject of a disciplinary action or past disciplinary action, nor disqualified on the basis of items listed in section 148.6448, subdivision 1.

Subd. 2. **Procedures.** To be eligible for temporary licensure, an applicant must submit a completed application for temporary licensure on forms provided by the board, the fees required by section 148.6445, and one of the following:

(1) evidence of successful completion of the requirements in section 148.6408, subdivision 1, or 148.6410, subdivision 1;

(2) a copy of a current and unrestricted credential for the practice of occupational therapy as ~~either an occupational therapist or occupational therapy assistant~~ practitioner in another jurisdiction; or

(3) a copy of a current and unrestricted ~~certificate~~ certification from the National Board for Certification in Occupational Therapy stating that the applicant is certified as an occupational ~~therapist or occupational therapy assistant~~ practitioner.

Subd. 3. **Additional documentation.** Persons who are ~~credentialed~~ certified by the National Board for Certification in Occupational Therapy or ~~credentialed by another jurisdiction~~ must provide ~~an affidavit~~ a statement with the application for temporary licensure stating that they are not the subject of a pending investigation or disciplinary action and have not been the subject of a disciplinary action in the past.

Subd. 4. **Supervision required.** An applicant who has graduated from an accredited occupational therapy program, as required by section 148.6408, subdivision 1, or 148.6410, subdivision 1, and who has not passed the examination required by section 148.6408, subdivision 2, or 148.6410, subdivision 2, must practice under the supervision of a licensed occupational therapist. The supervising therapist must, at a minimum, supervise the person working under temporary licensure in the performance of the initial evaluation, determination of the appropriate intervention plan, and periodic review and modification of the intervention plan. The supervising therapist must observe the person working under temporary licensure in order to ensure service competency in carrying out evaluation, intervention planning, and intervention implementation. The frequency of face-to-face collaboration between the person working under temporary licensure and the supervising therapist must be based on the condition of each patient or client, the complexity of intervention and evaluation procedures, and the proficiencies of the person practicing under temporary licensure. Following demonstrated service competency of the applicant, supervision must occur no less than every ten intervention days or every 30 calendar days, whichever occurs first. The occupational ~~therapist or occupational therapy assistant~~ practitioner working under temporary licensure must provide verification of supervision on the application form provided by the board. Supervising occupational therapists must have a minimum of six months of fully licensed practice to supervise a temporary licensee. The occupational therapy practitioner working under temporary licensure must notify the board before changing supervision.

Subd. 5. **Qualifying examination requirement; expiration and renewability.** (a) A person issued a temporary license pursuant to subdivision 2, clause (1), must demonstrate to the board within the temporary licensure period successful completion of the qualifying examination requirement under section 148.6408, subdivision 2, or section 148.6410, subdivision 2. A temporary license holder who fails the qualifying examination for a second time shall have their temporary license revoked effective upon notification to the temporary license holder of the examination score. It is the temporary license holder's obligation to submit

to the board their qualifying examination scores and to refrain from practice if their temporary license is revoked. Failure to do so subjects the temporary license holder to disciplinary action pursuant to section 148.6448, subdivision 1, clause ~~(5)~~ (6). The board must not issue a temporary license to a person with two or more certification examination failures.

(b) A temporary license expires six months from the date of issuance or on the date the board grants or denies licensure, whichever occurs first.

(c) A temporary license is not renewable.

Sec. 47. Minnesota Statutes 2024, section 148.6420, subdivision 1, is amended to read:

Subdivision 1. **Applications for initial licensure.** (a) An applicant for initial licensure must:

(1) submit a completed application for licensure on forms provided by the board and must supply ~~the~~ all information and documentation requested on the application, including:

(i) the applicant's name, business address and business telephone number, ~~business setting~~, primary email address, and ~~daytime~~ home or mobile telephone number;

~~(ii) the name and location of the occupational therapy program the applicant completed;~~

~~(iii)~~ (ii) a description of the applicant's education and training, including the name and location of the occupational therapy program the applicant completed and a list of degrees received from all other educational institutions attended;

~~(iv)~~ (iii) the applicant's work history for the six years preceding the application;

~~(v)~~ (iv) a list of all credentials currently and previously held in Minnesota and other jurisdictions;

~~(vi)~~ (v) a description of any jurisdiction's refusal to credential the applicant;

~~(vii)~~ (vi) a description of all professional disciplinary actions initiated against the applicant in any jurisdiction;

~~(viii)~~ (vii) information on any physical or mental condition or substance use disorder that impairs the person's ability to engage in the practice of occupational therapy with reasonable judgment or safety;

~~(ix)~~ (viii) a description of any misdemeanor or felony ~~conviction that relates to honesty or to the practice of occupational therapy~~ charges or convictions; ~~and~~

~~(x)~~ (ix) a description of any state or federal court order, including a conciliation court judgment or a disciplinary order, related to the individual's occupational therapy practice;

~~(2) submit with the application all fees required by section 148.6445;~~

~~(3) sign a statement that the information in the application is true and correct to the best of the applicant's knowledge and belief;~~

~~(4) sign a waiver authorizing the board to obtain access to the applicant's records in this or any other state in which the applicant holds or previously held a credential for the practice of an occupation, has completed an accredited occupational therapy education program, or engaged in the practice of occupational therapy;~~

(x) any legal information required under chapter 214;

(xi) either documentation to demonstrate the completion of the required education and examination requirements under section 148.6408, subdivisions 1b and 2, or 148.6410, subdivisions 1b and 2; for applicants for licensure by equivalency under section 148.6412, documentation of current NBCOT certification; for applicants for licensure by reciprocity under section 148.6415, documentation submitted directly by the appropriate commission or government body verifying the license or credential; or verification from the Compact Commission of the applicant's practice status in Compact Commission states;

(xii) all application fees required by section 148.6445;

(xiii) evidence of completing a criminal background check according to section 214.075; and

(xiv) a signed statement affirming that the information in the application is true and correct to the best of the applicant's knowledge and belief;

~~(5)~~ (2) submit additional information as requested by the board; and

~~(6)~~ (3) submit the any additional information required for licensure by equivalency, licensure by reciprocity, licensure by compact privilege, and temporary licensure as specified in sections 148.6408 to 148.6418; and 148.645. An applicant applying under section 148.6418 is exempt from providing documentation related to a criminal background check under clause (1), item (xiii). An applicant applying under section 148.6418, subdivision 4, is exempt from providing documentation related to previously held licenses or credentials under clause (1), item (iv).

(b) The board must not verify the status of an applicant under paragraph (a), clause (1), item (xi), by using another jurisdiction's publicly available website unless the other jurisdiction fails to provide the requested documentation after the applicant provides documentation of making the request.

Sec. 48. Minnesota Statutes 2024, section 148.6423, subdivision 1, is amended to read:

Subdivision 1. **Renewal requirements.** To be eligible for licensure renewal, a licensee must:

(1) submit a completed and signed application for licensure renewal; on forms provided by the board, including:

(i) updated personal information, including the renewal applicant's name, business address and business telephone number, primary email address, and home or mobile telephone number;

(ii) information regarding any change to the renewal applicant's responses to section 148.6420, subdivision 1, paragraph (a), clause (1), items (v) to (ix);

(iii) a signed statement affirming that the information in the renewal application is true and correct to the best of the applicant's knowledge and belief; and

(iv) any legal information required under chapter 214;

(2) submit the renewal fee required under section 148.6445;

(3) if audited, submit proof of having met the continuing education requirement of section 148.6443;
and

(4) submit additional information as requested by the board to clarify information presented in the renewal application. The information must be submitted within 30 calendar days of the board's request.

Sec. 49. Minnesota Statutes 2024, section 148.6423, is amended by adding a subdivision to read:

Subd. 1a. **License period.** Following the initial license period, a license period begins on the first day of the month after the licensee's birth month and must be renewed biennially.

Sec. 50. Minnesota Statutes 2024, section 148.6423, subdivision 2, is amended to read:

Subd. 2. **Renewal deadline.** (a) Except as provided in paragraph (c), licenses must be renewed every two years on or before the first day of the month after the licensee's birth month. Licensees must comply with the following procedures in paragraphs (b) to (e).

(b) Each license must state an expiration date. An application for licensure renewal must be received by the board at least 30 calendar days on or before the expiration date.

(c) If the board changes the renewal schedule and the expiration date is less than two years, the fee and the continuing education contact hours to be reported at the next renewal must be prorated.

(d) An application for licensure renewal not received within the time required under paragraph (b), ~~but received on or before the expiration date,~~ must be accompanied by a late fee in addition to the renewal fee specified by section 148.6445.

(e) Licensure renewals received after the expiration date must comply with the requirements of section 148.6425.

Sec. 51. Minnesota Statutes 2024, section 148.6425, subdivision 2, is amended to read:

Subd. 2. **Licensure renewal within one year after licensure expiration date.** A licensee whose application for licensure renewal is received after the licensure expiration date but within one year of the expiration date must submit the following:

(1) a completed and signed renewal application for licensure following lapse in licensed status; on forms provided by the board, including:

(i) updated personal information, including the renewal applicant's name, business address and business telephone number, primary email address, and home or mobile telephone number;

(ii) information regarding any change to the renewal applicant's responses to section 148.6420, subdivision 1, paragraph (a), clause (1), items (v) to (ix);

(iii) a signed statement affirming that the information in the renewal application is true and correct to the best of the applicant's knowledge and belief;

(iv) information regarding any change to the renewal applicant's responses to section 148.6420, subdivision 1, paragraph (a), clause (1), item (xi);

(v) NBCOT verification of certification documentation; and

(vi) any legal information required under chapter 214;

(2) the renewal fee and the late fee required under section 148.6445;

(3) proof of having met the continuing education requirements in section 148.6443, ~~subdivision 1;~~ and

(4) an employment verification form; and

~~(4)~~ (5) additional information as requested by the board to clarify information in the application, including information to determine whether the licensee has engaged in conduct warranting disciplinary action as set forth in section 148.6448. The information must be submitted within 30 calendar days from the date of the board's request.

Sec. 52. Minnesota Statutes 2024, section 148.6425, is amended by adding a subdivision to read:

Subd. 4. **Licensure renewal within two years after license expiration date.** A licensee whose application for license renewal is received more than one year but less than two years after the expiration date must submit the following:

(1) a completed and signed renewal application for licensure following lapse in licensed status on forms provided by the board, including all information listed in subdivision 2, clause (1);

(2) the renewal fee and the late fee required under section 148.6445;

(3) proof of having met the continuing education requirements in section 148.6443;

(4) an employment verification form;

(5) evidence of completion of a criminal background check as required under section 214.075 and the associated fee; and

(6) additional information as requested by the board to clarify information in the application, including information to determine whether the licensee has engaged in conduct warranting disciplinary action as set forth in section 148.6448. The information must be submitted within 30 calendar days from the date of the board's request.

Sec. 53. Minnesota Statutes 2024, section 148.6425, is amended by adding a subdivision to read:

Subd. 5. **Expiration due to nonrenewal after two years.** The board shall not renew, reissue, reinstate, or restore a license that is not subject to a pending review, investigation, or disciplinary action and has not been renewed within one biennial renewal cycle of the license expiration. An individual whose license has expired under this subdivision for nonrenewal must obtain a new license by applying for licensure and fulfilling all requirements then in existence for an initial license to practice occupational therapy in Minnesota.

Sec. 54. Minnesota Statutes 2024, section 148.6428, is amended to read:

148.6428 CHANGE OF CONTACT INFORMATION OR EMPLOYMENT.

A licensee who changes a name, primary email address, address, employment, business address, or business telephone number must inform the board of the change ~~of name, primary email address, address, employment, business address, or business telephone number~~ within 30 calendar days from the effective date of the change. A change in name must be accompanied by a copy of a marriage certificate, government-issued identification card, Social Security card, or court order. All notices or other correspondence served on a licensee by the board at the licensee's contact information on file with the board must be considered as having been received by the licensee.

Sec. 55. **[148.6431] JURISPRUDENCE EXAMINATION.**

The board may require occupational therapy practitioners to take an open-book jurisprudence examination on state laws and rules regarding the practice of occupational therapy and occupational therapy assisting.

Sec. 56. Minnesota Statutes 2024, section 148.6432, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** If the professional standards identified in ~~section 148.6430~~ subdivision 1a permit an occupational therapist to delegate an evaluation, reevaluation, or treatment procedure, the occupational therapist must provide supervision consistent with this section.

Sec. 57. Minnesota Statutes 2024, section 148.6432, is amended by adding a subdivision to read:

Subd. 1a. **Delegation of duties.** (a) The occupational therapist may delegate to an occupational therapy assistant those portions of the client's evaluation, reevaluation, and intervention that, according to prevailing national practice standards, can be performed by an occupational therapy assistant.

(b) The occupational therapist is responsible for all duties delegated to the occupational therapy assistant.

(c) The occupational therapist may not delegate portions of an evaluation or reevaluation of a person whose condition is changing rapidly.

Sec. 58. Minnesota Statutes 2024, section 148.6432, subdivision 2, is amended to read:

Subd. 2. **Evaluations.** The occupational therapist shall determine the frequency of evaluations and reevaluations for each client. The occupational therapy assistant shall inform the occupational therapist of the need for more frequent reevaluation if indicated by the client's condition or response to treatment. Before delegating a portion of a client's evaluation pursuant to ~~section 148.6430~~ subdivision 1a, the occupational therapist shall ensure the service competency of the occupational therapy assistant in performing the evaluation procedure and shall provide supervision consistent with the condition of the patient or client and the complexity of the evaluation procedure.

Sec. 59. Minnesota Statutes 2024, section 148.6432, subdivision 3, is amended to read:

Subd. 3. **Intervention.** (a) The occupational therapist must determine the frequency and manner of supervision of an occupational therapy assistant performing intervention procedures delegated pursuant to ~~section 148.6430~~ subdivision 1a based on the condition of the patient or client, the complexity of the intervention procedure, and the service competency of the occupational therapy assistant.

(b) Face-to-face collaboration between the occupational therapist and the occupational therapy assistant must occur for all clients every ten intervention days or every 30 days, whichever comes first, during which time the occupational therapist is responsible for:

- (1) planning and documenting an initial intervention plan and discharge from interventions;
- (2) reviewing intervention goals, therapy programs, and client progress;
- (3) supervising changes in the intervention plan;

(4) conducting or observing intervention procedures for selected clients and documenting appropriateness of intervention procedures. Clients must be selected based on the occupational therapy services provided to the client and the role of the occupational therapist and the occupational therapy assistant in those services; and

(5) ensuring the service competency of the occupational therapy assistant in performing delegated intervention procedures.

(c) Face-to-face collaboration must occur more frequently if necessary to meet the requirements of paragraph (a) or (b).

(d) The occupational therapist must document compliance with this subdivision in the client's file or chart.

Sec. 60. Minnesota Statutes 2024, section 148.6432, subdivision 4, is amended to read:

Subd. 4. **Exception.** (a) The supervision requirements of this section do not apply to an occupational therapy assistant who:

- (1) works in an activities program; and
- (2) does not perform occupational therapy services.

(b) The occupational therapy assistant must meet all other applicable requirements of sections 148.6401 to ~~148.6449~~ 148.645.

Sec. 61. Minnesota Statutes 2024, section 148.6435, is amended to read:

148.6435 COORDINATION OF SERVICES.

An occupational therapist must:

(1) collect information necessary to ensure that the provision of occupational therapy services are consistent with the client's physical and mental health status. The information required to make this determination may include, but is not limited to, contacting the client's licensed health care professional for health history, current health status, current medications, and precautions;

~~(2) modify or terminate occupational therapy intervention of a client that is not beneficial to the client, not tolerated by the client, or refused by the client, and if intervention was terminated for a medical reason, notify the client's licensed health care professional by correspondence postmarked or delivered to the licensed health care professional within one week of the termination of intervention;~~

~~(3)~~ (2) refer a client to an appropriate health care, social service, or education practitioner if the client's condition requires services not within the occupational therapist's service competency or not within the practice of occupational therapy generally, or if the client's acuity warrants alternative care; and

~~(4)~~ (3) participate and cooperate in the coordination of occupational therapy services with other related services, as a member of the professional community serving the client.

Sec. 62. Minnesota Statutes 2024, section 148.6438, is amended to read:

148.6438 RECIPIENT NOTIFICATION.

Subdivision 1. **Required notification.** (a) In the absence of a ~~physician, advanced practice registered nurse, or physician assistant~~ licensed health care provider referral or prior authorization, and before providing occupational therapy services for remuneration or expectation of payment from the client, an occupational therapist must provide the following ~~written notification in all capital letters of 12-point or larger boldface type, to the client, parent, or guardian in a format meeting national accessibility standards and the needs of the client, parent, or guardian:~~

"Your health care provider, insurer, or plan may require a ~~physician, advanced practice registered nurse, or physician assistant~~ licensed health care provider referral or prior authorization and you may be obligated for partial or full payment for occupational therapy services rendered."

(b) Information other than this notification may be included as long as the notification remains conspicuous on the face of the document. ~~A nonwritten disclosure format may be used to satisfy the recipient notification requirement when necessary to accommodate the physical condition of a client or client's guardian.~~

Subd. 2. **Evidence of recipient notification.** The occupational therapist is responsible for providing evidence of compliance with the recipient notification requirement of this section with documentation of the client, parent, or guardian agreement.

Sec. 63. Minnesota Statutes 2024, section 148.6443, subdivision 3, is amended to read:

Subd. 3. **Activities qualifying for continuing education contact hours.** (a) The activities in this subdivision qualify for continuing education contact hours if they meet all other requirements of this section.

(b) A minimum of one-half of the required contact hours must be directly related to occupational therapy practice. The remaining contact hours may be related to occupational therapy practice, the delivery of occupational therapy services, or to the practitioner's current professional role.

(c) A licensee may obtain an unlimited number of contact hours in any two-year continuing education period through participation in the following:

(1) attendance at educational programs of annual conferences, lectures, panel discussions, workshops, in-service training, seminars, and symposiums;

(2) successful completion of college or university courses. The licensee must obtain a grade of at least a "C" or a pass in a pass/fail course in order to receive credit. One college credit equals six continuing education contact hours; or

(3) successful completion of ~~home study~~ courses that ~~require the participant to demonstrate the participant's knowledge following completion of the course~~ provide documentation that the course was completed and that meet the requirements in subdivision 2.

(d) A licensee may obtain a maximum of one-half of the required contact hours in any two-year continuing education period for:

(1) teaching continuing education or occupational therapy related courses that meet the requirements of this section. A licensee is entitled to earn a maximum of two contact hours as preparation time for each contact hour of presentation time. Contact hours may be claimed only once for teaching the same course in any two-year continuing education period. A course schedule or brochure must be maintained for audit;

(2) supervising occupational therapist or occupational therapy assistant students. A licensee may earn one contact hour for every eight hours of student supervision. Licensees must ensure they receive documentation regarding each student supervised and the dates and hours each student was supervised. Contact hours obtained by student supervision must be obtained by supervising students from an occupational therapy education program accredited by the Accreditation Council for Occupational Therapy Education; and

~~(3) teaching or participating in courses related to leisure activities, recreational activities, or hobbies if the practitioner uses these interventions within the practitioner's current practice or employment; and~~

~~(4)~~ (3) engaging in research activities or outcome studies that are related to the practice of occupational therapy and associated with grants, postgraduate studies, or publications in professional journals or books.

(e) A licensee may obtain a maximum of two contact hours in any two-year continuing education period for continuing education activities in the following areas:

(1) personal skill topics: career burnout, communication skills, human relations, and similar topics;

~~(2) training that is obtained in conjunction with a licensee's employment, occurs during a licensee's normal workday, and does not include subject matter specific to the fundamentals of occupational therapy, basic life support and CPR training; and~~

(3) participation for a minimum of one year on a professional committee or board.

Sec. 64. Minnesota Statutes 2024, section 148.6443, subdivision 4, is amended to read:

Subd. 4. **Activities not qualifying for continuing education contact hours.** Credit must not be granted for the following activities: hospital patient rounds; entertainment or recreational activities; volunteering; noneducational association meetings; and employment orientation sessions and meetings, including but not limited to training required at the beginning of employment, annually, or routinely that is related to the employer's organization requirements.

Sec. 65. Minnesota Statutes 2024, section 148.6443, subdivision 5, is amended to read:

Subd. 5. **Reporting continuing education contact hours.** Each licensee must use the continuing education reporting form to verify meeting the continuing education requirements of this section. The licensee must maintain documentation, including but not limited to a signed certificate, transcript, or similar evidence of participation in an activity. The documentation must include a:

(1) the title of the continuing education activity;

(2) a brief description of the continuing education activity prepared by the presenter or sponsor;

(3) the name of the sponsor, presenter, or author;

(4) the location and attendance dates;

(5) the number of contact hours; and

(6) the licensee's name.

Sec. 66. Minnesota Statutes 2024, section 148.6443, subdivision 6, is amended to read:

Subd. 6. **Auditing continuing education reports.** (a) The board may audit a percentage of the continuing education reports based on random selection. A licensee shall maintain all documentation required by this section for two years after the last day of the biennial licensure period in which the contact hours were earned.

(b) All renewal applications that are received after the expiration date may be subject to a continuing education report audit.

(c) Any licensee against whom a complaint is filed may be subject to a continuing education report audit.

(d) The licensee shall make the following information available to the board for auditing purposes:

(1) a copy of the completed continuing education reporting form for the continuing education reporting period that is the subject of the audit including all supporting documentation required by subdivision 5;

(2) documentation of university, college, or vocational school courses by a transcript and a course syllabus, listing in a course bulletin, or equivalent documentation that includes the course title, instructor's name, course dates, number of contact hours, and course content, objectives, or goals; and

(3) verification of attendance by that meets the requirements of subdivision 5 by submitting:

(i) a signature of certificate of attendance, or if a certificate is not available, other documentation from the presenter or a designee at the continuing education activity on the continuing education report form or a certificate of attendance with the course name, course date, and licensee's name submitted directly to the board confirming the requirements; or

(ii) a summary or outline of the educational content of an audio or video educational activity to verify the licensee's participation in the activity if a designee is not available to sign the continuing education report form; or

(iii) (ii) verification of self-study programs by a certificate of completion or other documentation indicating that the individual has demonstrated knowledge and has successfully completed the program.

Sec. 67. Minnesota Statutes 2024, section 148.6443, subdivision 7, is amended to read:

Subd. 7. **Waiver Deferral of continuing education requirements.** The board may ~~waive or~~ defer all or part of the continuing education requirements of this section if the licensee submits a written request and provides satisfactory evidence to the board of illness, injury, financial hardship, family hardship, or other similar extenuating circumstances that preclude completion of the requirements during the licensure period. The request for a ~~waiver~~ deferral must be in writing, state the circumstances that constitute hardship, state the period of time the licensee wishes to have the continuing education requirement ~~waived~~ deferred, and state the alternative measures that will be taken if a ~~waiver~~ deferral is granted. The board must set forth, in writing, the reasons for granting or denying the ~~waiver~~ deferral. ~~Waivers~~ Deferrals granted by the board must specify, in writing, the time limitation and required alternative measures to be taken by the licensee. A request for ~~waiver~~ deferral must be denied if the board finds that the circumstances stated by the licensee do not support a claim of hardship, the requested time period for ~~waiver~~ deferral is unreasonable, the alternative measures proposed by the licensee are not equivalent to the continuing education activity being ~~waived~~ deferred, or the request for ~~waiver~~ deferral is not submitted to the board within 60 calendar days of the expiration date.

Sec. 68. Minnesota Statutes 2024, section 148.6443, subdivision 8, is amended to read:

Subd. 8. **Penalties for noncompliance.** The board shall refuse to renew or grant, or shall suspend, condition, limit, or otherwise qualify the license of any person who the board determines has failed to comply with the continuing education requirements of this section. A licensee may request reconsideration of the board's determination of noncompliance or the penalty imposed under this section by making a written request to the board within 30 calendar days of the date of notification to the applicant. Individuals requesting reconsideration may submit information that the licensee wants considered in the reconsideration.

Sec. 69. Minnesota Statutes 2024, section 148.6445, is amended by adding a subdivision to read:

Subd. 5a. **Compact privilege fee.** The fee for interstate licensure compact privilege to practice is \$150.

Sec. 70. Minnesota Statutes 2024, section 148.6445, is amended by adding a subdivision to read:

Subd. 7a. **Active mailing list.** The fee for the standard active licensee mailing list delivered electronically is \$500.

Sec. 71. Minnesota Statutes 2024, section 148.6448, subdivision 1, is amended to read:

Subdivision 1. **Grounds for denial of licensure or discipline.** The board may deny an application for licensure, may approve licensure with conditions, or may discipline a licensee using any disciplinary actions listed in subdivision 3 on proof that the individual has:

- (1) intentionally submitted false or misleading information to the board;
- (2) obtained a license by means of fraud, misrepresentation, or concealment of material facts;
- (3) failed, within 30 days, to provide information in response to a written request by the board;
- ~~(3)~~ (4) performed services of an occupational therapist or occupational therapy assistant practitioner in an incompetent manner or in a manner that falls below the community standard of care or national practice standards of care;
- ~~(4)~~ (5) failed to satisfactorily perform occupational therapy services during a period of temporary licensure;
- ~~(5)~~ (6) violated sections 148.6401 to ~~148.6449~~ 148.645;
- ~~(6)~~ (7) failed to perform services with reasonable judgment, skill, or safety due to the use of alcohol or drugs, or other physical or mental impairment;
- ~~(7)~~ (8) been convicted of violating any state or federal law, rule, or regulation ~~which directly~~ that reasonably relates to the practice of occupational therapy;
- (9) failed to report other licensees that have violated sections 148.6401 to 148.645;
- ~~(8)~~ (10) aided or abetted another person in violating any provision of sections 148.6401 to ~~148.6449~~ 148.645;
- ~~(9)~~ (11) been disciplined for conduct in the practice of an occupation by the state of Minnesota, another jurisdiction, or a national professional association, if any of the grounds for discipline are the same or substantially equivalent to those in sections 148.6401 to ~~148.6449~~ 148.645;
- ~~(10)~~ (12) not cooperated with the board in an investigation conducted according to subdivision 2;
- ~~(11)~~ (13) advertised in a manner that is false or misleading;
- ~~(12)~~ (14) engaged in dishonest, unethical, or unprofessional conduct in connection with the practice of occupational therapy that is likely to deceive, defraud, or harm the public;
- (15) improperly managed client records, including but not limited to failure to maintain client records in a manner that meets community standards of care or nationally accepted practice standards;

~~(13)~~ (16) demonstrated a willful or careless disregard for the health, welfare, or safety of a client;

(17) inappropriately supervised or delegated or assigned tasks to an occupational therapy assistant, occupational therapy student, rehabilitation aide, or other licensed professional;

~~(14)~~ (18) performed medical diagnosis or provided intervention, other than occupational therapy, without being licensed to do so under the laws of this state;

~~(15)~~ (19) paid or promised to pay a commission or part of a fee to any person who contacts the occupational ~~therapist~~ therapy practitioner for consultation or sends patients to the occupational ~~therapist~~ therapy practitioner for intervention;

~~(16)~~ (20) engaged in an incentive payment arrangement, other than that prohibited by clause ~~(15)~~ (19), that promotes occupational therapy overutilization, whereby the referring person or person who controls the availability of occupational therapy services to a client profits unreasonably as a result of client intervention;

~~(17)~~ (21) engaged in abusive or fraudulent billing practices, ~~including violations of federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical assistance laws;~~

~~(18)~~ (22) obtained money, property, or services from a consumer through the use of undue influence, high pressure sales tactics, harassment, duress, deception, or fraud;

~~(19)~~ (23) performed services for a client who had no possibility of benefiting from the services;

~~(20)~~ (24) failed to refer a client for medical evaluation when appropriate or when a client indicated symptoms associated with diseases that could be medically or surgically treated;

~~(21)~~ (25) engaged in conduct with a client that is sexual or may reasonably be interpreted by the client as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient;

~~(22)~~ (26) violated a federal or state court order, including a conciliation court judgment, or a disciplinary order issued by the board, related to the person's occupational therapy practice; or

~~(23)~~ (27) any other just cause related to the practice of occupational therapy.

Sec. 72. Minnesota Statutes 2024, section 148.6448, subdivision 2, is amended to read:

Subd. 2. **Investigation of complaints.** The board may initiate an investigation upon receiving a complaint or other oral or written communication that alleges or implies that a person has violated sections 148.6401 to ~~148.6449~~ 148.645. In the receipt, investigation, and hearing of a complaint that alleges or implies a person has violated sections 148.6401 to ~~148.6449~~ 148.645, the board must follow the procedures in sections 214.10 and 214.103.

Sec. 73. Minnesota Statutes 2024, section 148.6448, subdivision 4, is amended to read:

Subd. 4. **Effect of specific disciplinary action on use of title.** Upon notice from the board denying licensure renewal or upon notice that disciplinary actions have been imposed and the person is no longer entitled to practice occupational therapy and use the occupational therapy and licensed titles, the person shall cease to practice occupational therapy, to use titles protected by sections 148.6401 to ~~148.6449~~ 148.645, and to represent to the public that the person is licensed by the board.

Sec. 74. Minnesota Statutes 2024, section 148.6448, subdivision 6, is amended to read:

Subd. 6. **Authority to contract.** The board shall contract with the health professionals services program as authorized by sections 214.31 to 214.37 to provide these services to practitioners under this chapter. The health professionals services program does not affect the board's authority to discipline violations of sections 148.6401 to ~~148.6449~~ 148.645.

Sec. 75. Minnesota Statutes 2024, section 148.6449, subdivision 1, is amended to read:

Subdivision 1. **Creation.** The Board of Occupational Therapy Practice consists of 11 members appointed by the governor. The members are:

(1) five occupational therapists licensed under sections 148.6401 to ~~148.6449~~ 148.645;

(2) three occupational therapy assistants licensed under sections 148.6401 to ~~148.6449~~ 148.645; and

(3) three public members, including two members who have received occupational therapy services or have a family member who has received occupational therapy services, and one member who is a health care professional or health care provider licensed in Minnesota.

Sec. 76. Minnesota Statutes 2024, section 148.6449, subdivision 2, is amended to read:

Subd. 2. **Qualifications of board members.** (a) The occupational therapy practitioners appointed to the board must represent a variety of practice areas and settings.

(b) ~~At least two occupational therapy practitioners~~ three members of the board must be employed or reside outside the seven-county metropolitan area.

(c) Board members must not serve for more than two full consecutive terms.

(d) Interstate licensure compact privilege holders are not eligible to serve on the board.

Sec. 77. Minnesota Statutes 2024, section 148.6449, subdivision 7, is amended to read:

Subd. 7. **Duties of the Board of Occupational Therapy Practice.** (a) The board shall:

(1) adopt and enforce rules and laws necessary for licensing occupational therapy practitioners;

(2) adopt and enforce rules for regulating the professional conduct of the practice of occupational therapy;

(3) issue licenses to qualified individuals in accordance with sections 148.6401 to ~~148.6449~~ 148.645;

(4) assess and collect fees for the issuance and renewal of licenses;

(5) educate the public about the requirements for licensing occupational therapy practitioners, educate occupational therapy practitioners about the rules of conduct, and enable the public to file complaints against applicants and licensees who may have violated sections 148.6401 to ~~148.6449~~ 148.645; and

(6) investigate individuals engaging in practices that violate sections 148.6401 to ~~148.6449~~ 148.645 and take necessary disciplinary, corrective, or other action according to section 148.6448.

(b) The board may adopt rules necessary to define standards or carry out the provisions of sections 148.6401 to ~~148.6449~~ 148.645. Rules shall be adopted according to chapter 14.

Sec. 78. Minnesota Statutes 2024, section 148B.53, subdivision 3, is amended to read:

Subd. 3. **Fee Fees.** Nonrefundable fees are as follows:

- (1) initial license application fee for licensed professional counseling (LPC) - \$150;
- (2) initial license fee for LPC - \$250;
- (3) annual active license renewal fee for LPC - \$250 or equivalent;
- (4) annual inactive license renewal fee for LPC - \$125;
- (5) initial license application fee for licensed professional clinical counseling (LPCC) - \$150;
- (6) initial license fee for LPCC - \$250;
- (7) annual active license renewal fee for LPCC - \$250 or equivalent;
- (8) annual inactive license renewal fee for LPCC - \$125;
- (9) license renewal late fee - \$100 per month or portion thereof;
- (10) copy of board order or stipulation - \$10;
- (11) certificate of good standing or license verification - \$25;
- (12) duplicate certificate fee - \$25;
- (13) professional firm renewal fee - \$25;
- (14) sponsor application for approval of a continuing education course - \$60;
- (15) initial registration fee - \$50;
- (16) annual registration renewal fee - \$25;
- (17) approved supervisor application processing fee - \$30; ~~and~~
- (18) temporary license for members of the military - \$250; and
- (19) interstate compact privilege to practice fee - not to exceed \$100.

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

Sec. 79. Minnesota Statutes 2024, section 148E.180, subdivision 1, is amended to read:

Subdivision 1. **Application fees.** (a) Nonrefundable application fees for licensure may not exceed the following amounts but may be adjusted lower by board action:

- (1) for a licensed social worker, \$75;
- (2) for a licensed graduate social worker, \$75;
- (3) for a licensed independent social worker, \$75;
- (4) for a licensed independent clinical social worker, \$75;
- (5) for a temporary license, \$50; ~~and~~

(6) for a license by endorsement, \$115; and

(7) for a compact multistate license, \$75.

(b) The fee for criminal background checks is the fee charged by the Bureau of Criminal Apprehension. The criminal background check fee must be included with the application fee as required according to section 148E.055.

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

Sec. 80. Minnesota Statutes 2024, section 148E.180, is amended by adding a subdivision to read:

Subd. 2a. **Compact multistate license fees.** Nonrefundable compact multistate license fees must not exceed the following amounts but may be adjusted lower by board action:

(1) for a licensed social worker, \$115;

(2) for a licensed graduate social worker, \$210;

(3) for a licensed independent social worker, \$305; and

(4) for a licensed independent clinical social worker, \$335.

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

Sec. 81. Minnesota Statutes 2024, section 148E.180, is amended by adding a subdivision to read:

Subd. 3a. **Compact multistate renewal fees.** Nonrefundable renewal fees for compact multistate licensure must not exceed the following amounts but may be adjusted lower by board action:

(1) for a licensed social worker, \$115;

(2) for a licensed graduate social worker, \$210;

(3) for a licensed independent social worker, \$305; and

(4) for a licensed independent clinical social worker, \$335.

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

Sec. 82. Minnesota Statutes 2024, section 148E.180, subdivision 5, is amended to read:

Subd. 5. **Late fees.** Late fees are the following nonrefundable amounts:

(1) renewal late fee, one-fourth of the applicable renewal fee specified in ~~subdivision~~ subdivisions 3 and 3a;

(2) supervision plan late fee, \$40; and

(3) license late fee, \$100 plus the prorated share of the applicable license ~~fee~~ fees specified in ~~subdivision~~ subdivisions 2 and 2a for the number of months during which the individual practiced social work without a license.

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

Sec. 83. Minnesota Statutes 2024, section 148E.180, subdivision 7, is amended to read:

Subd. 7. **Reactivation fees.** Reactivation fees are the following nonrefundable amounts:

(1) reactivation from a temporary leave or emeritus status, the prorated share of the renewal fee specified in subdivision 3; and

(2) reactivation of an expired license, 1-1/2 times the applicable renewal fees specified in ~~subdivision~~ subdivisions 3 and 3a.

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

Sec. 84. **[148G.01] TITLE.**

This chapter shall be referred to as the Minnesota Certified Midwife Practice Act.

Sec. 85. **[148G.02] SCOPE.**

This chapter applies to all applicants and licensees, all persons who use the title certified midwife, and all persons in or out of this state who provide certified midwifery services to patients who reside in this state, unless there are specific applicable exemptions provided by law.

Sec. 86. **[148G.03] DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of this chapter, the definitions in this section have the meanings given.

Subd. 2. **Board.** "Board" means the Minnesota Board of Nursing.

Subd. 3. **Certification.** "Certification" means the formal recognition by the American Midwifery Certification Board of the knowledge, skills, and experience demonstrated by the achievement of standards identified by the American College of Nurse Midwives or any successor organization.

Subd. 4. **Certified midwife.** "Certified midwife" means an individual who holds a current and valid national certification as a certified midwife from the American Midwifery Certification Board or any successor organization and who is licensed by the board under this chapter.

Subd. 5. **Certified midwifery practice.** "Certified midwifery practice" means:

(1) managing, diagnosing, and treating women's primary health care beginning in adolescence, including pregnancy, childbirth, the postpartum period, care of the newborn, family planning, partner care management relating to sexual health, and gynecological care of women;

(2) ordering, performing, supervising, and interpreting diagnostic studies within the scope of certified midwifery practice, excluding:

(i) interpreting and performing specialized ultrasound examinations; and

(ii) interpreting computed tomography scans, magnetic resonance imaging scans, positron emission tomography scans, nuclear scans, and mammography;

(3) prescribing pharmacologic and nonpharmacologic therapies appropriate to midwifery practice;

(4) consulting with, collaborating with, or referring to other health care providers as warranted by the needs of the patient; and

(5) performing the role of educator in the theory and practice of midwifery.

Subd. 6. **Collaborating.** "Collaborating" means the process in which two or more health care professionals work together to meet the health care needs of a patient, as warranted by the needs of the patient.

Subd. 7. **Consulting.** "Consulting" means the process in which a certified midwife who maintains primary management responsibility for a patient's care seeks advice or opinion of a physician, an advanced practice registered nurse, or another member of the health care team.

Subd. 8. **Encumbered.** "Encumbered" means:

(1) a license or other credential that is revoked, is suspended, or contains limitations on the full and unrestricted practice of certified midwifery when the revocation, suspension, or limitation is imposed by a state licensing board or other state regulatory entity; or

(2) a license or other credential that is voluntarily surrendered.

Subd. 9. **Licensure period.** "Licensure period" means the interval of time during which the certified midwife is authorized to engage in certified midwifery. The initial licensure period is from six to 29 full calendar months starting on the day of licensure and ending on the last day of the certified midwife's month of birth in an even-numbered year if the year of birth is an even-numbered year, or in an odd-numbered year if the year of birth is an odd-numbered year. Subsequent licensure renewal periods are 24 months. For licensure renewal, the period starts on the first day of the month following expiration of the previous licensure period. The period ends the last day of the certified midwife's month of birth in an even- or odd-numbered year according to the certified midwife's year of birth.

Subd. 10. **Licensed practitioner.** "Licensed practitioner" means a physician licensed under chapter 147, an advanced practice registered nurse licensed under sections 148.171 to 148.235, or a certified midwife licensed under this chapter.

Subd. 11. **Midwifery education program.** "Midwifery education program" means a program of theory and practice offered by a university or college that leads to the preparation and eligibility for certification in midwifery and is accredited by the Accreditation Commission for Midwifery Education or any successor organization recognized by the United States Department of Education or the Council for Higher Education Accreditation.

Subd. 12. **Patient.** "Patient" means a recipient of care provided by a certified midwife within the scope of certified midwifery practice, including an individual, family, group, or community.

Subd. 13. **Prescribing.** "Prescribing" means the act of generating a prescription for the preparation of, use of, or manner of using a drug or therapeutic device under section 148G.09. Prescribing does not include recommending the use of a drug or therapeutic device that is not required by the federal Food and Drug Administration to meet the labeling requirements for prescription drugs and devices.

Subd. 14. **Prescription.** "Prescription" means a written direction or an oral direction reduced to writing provided to or for a patient for the preparation or use of a drug or therapeutic device. The requirements of section 151.01, subdivisions 16, 16a, and 16b, apply to prescriptions for drugs.

Subd. 15. **Referral.** "Referral" means the process in which a certified midwife directs a patient to a physician or another health care professional for management of a particular problem or aspect of the patient's care.

Subd. 16. **Supervision.** "Supervision" means monitoring and establishing the initial direction of, setting expectations for, directing activities in, evaluating, and changing a course of action in certified midwifery care.

Sec. 87. **[148G.04] CERTIFIED MIDWIFE LICENSING.**

Subdivision 1. **Licensure.** (a) No person shall practice as a certified midwife or serve as the faculty of record for clinical instruction in a midwifery distance learning program unless the person is licensed by the board under this chapter.

(b) An applicant for a license to practice as a certified midwife must apply to the board in a format prescribed by the board and pay a fee in an amount determined under section 148G.11.

(c) To be eligible for licensure, an applicant must:

(1) not hold an encumbered license or other credential as a certified midwife or equivalent professional designation in any state or territory;

(2) hold a current and valid certification as a certified midwife from the American Midwifery Certification Board or any successor organization acceptable to the board and provide primary source verification of certification to the board in a format prescribed by the board;

(3) have completed a graduate-level midwifery education program that includes clinical experience, is accredited by the Accreditation Commission for Midwifery Education or any successor organization recognized by the United States Department of Education or the Council for Higher Education Accreditation, and leads to a graduate degree. The applicant must submit primary source verification of program completion to the board in a format prescribed by the board. The primary source verification must verify the applicant completed three separate graduate-level courses in physiology and pathophysiology; advanced health assessment; and advanced pharmacology, including pharmacodynamics, pharmacokinetics, and pharmacotherapeutics of all broad categories of agents;

(4) report any criminal conviction, nolo contendere plea, Alford plea, or other plea arrangement in lieu of conviction; and

(5) not have committed any acts or omissions that are grounds for disciplinary action in another jurisdiction or, if these acts were committed and would be grounds for disciplinary action as set forth in section 148G.13, the board has found after an investigation that sufficient remediation was made.

Subd. 2. **Clinical practice component.** If more than five years have elapsed since the applicant has practiced in the certified midwife role, the applicant must complete a reorientation plan as a certified midwife. The plan must include supervision during the clinical component by a licensed practitioner with experience in providing care to patients with the same or similar health care needs. The applicant must submit the plan and the name of the practitioner to the board. The plan must include a minimum of 500 hours of supervised certified midwifery practice. The certified midwife must submit verification of completion of the clinical reorientation to the board when the reorientation is complete.

Sec. 88. [148G.05] LICENSURE RENEWAL; RELICENSURE.

Subdivision 1. Renewal; current applicants. (a) A certified midwife must apply for renewal of the certified midwife's license before the certified midwife's licensure period ends. To be considered timely, the board must receive the certified midwife's application on or before the last day of the certified midwife's licensure period. A certified midwife's license lapses if the certified midwife's application is untimely.

(b) An applicant for license renewal must provide the board evidence of current certification or recertification as a certified midwife by the American Midwifery Certification Board or any successor organization.

(c) An applicant for license renewal must submit to the board the fee under section 148G.11, subdivision 2.

Subd. 2. Clinical practice component. If more than five years have elapsed since the applicant has practiced as a certified midwife, the applicant must complete a reorientation plan as a certified midwife. The plan must include supervision during the clinical component by a licensed practitioner with experience in providing care to patients with the same or similar health care needs. The licensee must submit the plan and the name of the practitioner to the board. The plan must include a minimum of 500 hours of supervised certified midwifery practice. The certified midwife must submit verification of completion of the clinical reorientation to the board when the reorientation is complete.

Subd. 3. Relicensure; lapsed applicants. A person whose license has lapsed who desires to resume practice as a certified midwife must apply for relicensure, submit to the board satisfactory evidence of compliance with the procedures and requirements established by the board, and pay the board the relicensure fee under section 148G.11, subdivision 4, for the current licensure period. A penalty fee under section 148G.11, subdivision 4, is required from a person who practiced certified midwifery without current licensure. The board must relicense a person who meets the requirements of this subdivision.

Sec. 89. [148G.06] FAILURE OR REFUSAL TO PROVIDE INFORMATION.

Subdivision 1. Notification requirement. An individual licensed as a certified midwife must notify the board when the individual renews their certification. If a licensee fails to provide notification, the licensee is prohibited from practicing as a certified midwife.

Subd. 2. Denial of license. Refusal of an applicant to supply information necessary to determine the applicant's qualifications, failure to demonstrate qualifications, or failure to satisfy the requirements for a license contained in this chapter or rules of the board may result in denial of a license. The burden of proof is upon the applicant to demonstrate the qualifications and satisfaction of the requirements.

Sec. 90. [148G.07] NAME CHANGE AND CHANGE OF ADDRESS.

A certified midwife must maintain a current name and address with the board and must notify the board in writing within 30 days of any change in name or address. All notices or other correspondence mailed to or served upon a certified midwife by the board at the licensee's address on file with the board are considered received by the licensee.

Sec. 91. [148G.08] IDENTIFICATION OF CERTIFIED MIDWIVES.

Only those persons who hold a current license to practice certified midwifery in Minnesota may use the title of certified midwife. A certified midwife licensed by the board must use the designation of "CM" for professional identification and in documentation of services provided.

Sec. 92. [148G.09] PRESCRIBING DRUGS AND THERAPEUTIC DEVICES.

Subdivision 1. **Diagnosing, prescribing, and ordering.** Certified midwives, within the scope of certified midwifery practice, are authorized to:

(1) diagnose, prescribe, and institute therapy or referrals of patients to health care agencies and providers;

(2) prescribe, procure, sign for, record, administer, and dispense over-the-counter, legend, and controlled substances, including sample drugs; and

(3) plan and initiate a therapeutic regimen that includes ordering and prescribing durable medical devices and equipment, nutrition, diagnostic services, and supportive services, including but not limited to home health care, physical therapy, and occupational therapy.

Subd. 2. **Drug Enforcement Administration requirements.** (a) Certified midwives must:

(1) comply with federal Drug Enforcement Administration (DEA) requirements related to controlled substances; and

(2) file the certified midwife's DEA registrations and numbers, if any, with the board.

(b) The board must maintain current records of all certified midwives with a DEA registration and number.

Sec. 93. [148G.10] FEES.

The fees specified in section 148G.11 are nonrefundable and must be deposited in the state government special revenue fund.

Sec. 94. [148G.11] FEE AMOUNTS.

Subdivision 1. **Licensure.** The fee for licensure is \$105.

Subd. 2. **Renewal.** The fee for licensure renewal is \$85.

Subd. 3. **Practicing without current certification.** The penalty fee for a person who practices certified midwifery without a current certification or recertification, or who practices certified midwifery without current certification or recertification on file with the board, is \$200 for the first month or part of a month and an additional \$100 for each subsequent month or parts of months of practice. The penalty fee must be calculated from the first day the certified midwife practiced without a current certification to the last day of practice without a current certification, or from the first day the certified midwife practiced without a current certification or recertification on file with the board until the day the current certification or recertification is filed with the board.

Subd. 4. **Relicensure.** The fee for relicensure is \$105. The fee for practicing without current licensure is two times the amount of the current renewal fee for any part of the first calendar month, plus the current renewal fee for any part of each subsequent month up to 24 months.

Subd. 5. **Dishonored check fee.** The service fee for a dishonored check is as provided in section 604.113.

Sec. 95. [148G.12] APPROVED MIDWIFERY EDUCATION PROGRAM.

Subdivision 1. **Initial approval.** A university or college desiring to conduct a certified midwifery education program must submit evidence to the board that the university or college is prepared to:

(1) provide a program of theory and practice in certified midwifery leading to eligibility for certification in midwifery;

(2) achieve preaccreditation and eventual full accreditation by the American Commission for Midwifery Education or any successor organization recognized by the United States Department of Education or the Council for Higher Education Accreditation. Instruction and required experience may be obtained in one or more institutions or agencies outside the applying university or college if the program retains accountability for all clinical and nonclinical teaching; and

(3) meet other standards established by law and by the board.

Subd. 2. **Continuing approval.** The board must, through the board's representative, annually survey all midwifery education programs in Minnesota for current accreditation status by the American Commission for Midwifery Education or any successor organization recognized by the United States Department of Education or the Council for Higher Education Accreditation. If the results of the survey show that a certified midwifery education program meets all standards for continuing accreditation, the board must continue approval of the certified midwifery education program.

Subd. 3. **Loss of approval.** If the board determines that an accredited certified midwifery education program is not maintaining the standards required by the American Commission on Midwifery Education or any successor organization, the board must obtain the defect in writing from the accrediting body. If a program fails to correct the defect to the satisfaction of the accrediting body and the accrediting body revokes the program's accreditation, the board must remove the program from the list of approved certified midwifery education programs.

Subd. 4. **Reinstatement of approval.** The board must reinstate approval of a certified midwifery education program upon submission of satisfactory evidence that the certified midwifery education program of theory and practice meets the standards required by the accrediting body.

Sec. 96. [148G.13] GROUNDS FOR DISCIPLINARY ACTION.

Subdivision 1. **Grounds listed.** The board may deny, revoke, suspend, limit, or condition the license of any person to practice certified midwifery under this chapter or otherwise discipline a licensee or applicant as described in section 148G.14. The following are grounds for disciplinary action:

(1) failure to demonstrate the qualifications or satisfy the requirements for a license contained in this chapter or rules of the board. In the case of an applicant for licensure, the burden of proof is upon the applicant to demonstrate the qualifications or satisfaction of the requirements;

(2) employing fraud or deceit in procuring or attempting to procure a license to practice certified midwifery;

(3) conviction of a felony or gross misdemeanor reasonably related to the practice of certified midwifery. Conviction, as used in this subdivision, includes a conviction of an offense that if committed in this state

would be considered a felony or gross misdemeanor without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned, but the adjudication of guilt is either withheld or not entered;

(4) revocation, suspension, limitation, conditioning, or other disciplinary action against the person's certified midwife credential in another state, territory, or country; failure to report to the board that charges regarding the person's certified midwifery license, certification, or other credential are pending in another state, territory, or country; or failure to report to the board having been refused a license or other credential by another state, territory, or country;

(5) failure or inability to practice as a certified midwife with reasonable skill and safety, or departure from or failure to conform to standards of acceptable and prevailing certified midwifery practice, including failure of a certified midwife to adequately supervise or monitor the performance of acts by any person working at the certified midwife's direction;

(6) engaging in unprofessional conduct, including but not limited to a departure from or failure to conform to statutes relating to certified midwifery practice or to the minimal standards of acceptable and prevailing certified midwifery practice, or engaging in any certified midwifery practice that may create unnecessary danger to a patient's life, health, or safety. Actual injury to a patient need not be established under this clause;

(7) supervision or accepting the supervision of a midwifery function or a prescribed health care function when the acceptance could reasonably be expected to result in unsafe or ineffective patient care;

(8) actual or potential inability to practice certified midwifery with reasonable skill and safety to patients by reason of illness; by the reason of use of alcohol, drugs, chemicals, or any other material; or as a result of any mental or physical condition;

(9) adjudication as mentally incompetent, mentally ill, a chemically dependent person, or a person dangerous to the public by a court of competent jurisdiction, within or outside of Minnesota;

(10) engaging in any unethical conduct, including but not limited to conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of a patient. Actual injury need not be established under this clause;

(11) engaging in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, in any verbal behavior that is seductive or sexually demeaning to a patient, or in sexual exploitation of a patient or former patient;

(12) obtaining money, property, or services from a patient, other than reasonable fees for services provided to the patient, through the use of undue influence, harassment, duress, deception, or fraud;

(13) revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law;

(14) engaging in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws or state medical assistance laws;

(15) improper management of patient records, including failure to maintain adequate patient records, to comply with a patient's request made pursuant to sections 144.291 to 144.298, or to furnish a patient record or report required by law;

(16) knowingly aiding, assisting, advising, or allowing an unlicensed person to engage in the unlawful practice of certified midwifery;

(17) violating a rule adopted by the board, an order of the board, a state or federal law relating to the practice of certified midwifery, or a state or federal narcotics or controlled substance law;

(18) knowingly providing false or misleading information to a patient that is directly related to the care of that patient unless done for an accepted therapeutic purpose such as the administration of a placebo;

(19) aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(i) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(ii) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(iii) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board must investigate any complaint of a violation of section 609.215, subdivision 1 or 2;

(20) practicing outside the scope of certified midwifery practice as defined under section 148G.03, subdivision 5;

(21) making a false statement or knowingly providing false information to the board, failing to make reports as required by section 148G.15, or failing to cooperate with an investigation of the board as required by section 148G.17;

(22) engaging in false, fraudulent, deceptive, or misleading advertising;

(23) failure to inform the board of the person's certification or recertification status as a certified midwife;

(24) engaging in certified midwifery practice without a license and current certification or recertification by the American Midwifery Certification Board or any successor organization; or

(25) failure to maintain appropriate professional boundaries with a patient. A certified midwife must not engage in practices that create an unacceptable risk of patient harm or of the impairment of a certified midwife's objectivity or professional judgment. A certified midwife must not act or fail to act in a way that, as judged by a reasonable and prudent certified midwife, inappropriately encourages the patient to relate to the certified midwife outside of the boundaries of the professional relationship or in a way that interferes with the patient's ability to benefit from certified midwife services. A certified midwife must not use the professional relationship with a patient, student, supervisee, or intern to further the certified midwife's personal, emotional, financial, sexual, religious, political, or business benefit or interests.

Subd. 2. **Conviction of a felony-level criminal sexual offense.** (a) Except as provided in paragraph (e), the board must not grant or renew a license to practice certified midwifery to any person who has been convicted on or after August 1, 2014, of any of the provisions of section 609.342, subdivision 1 or 1a; 609.343, subdivision 1 or 1a; 609.344, subdivision 1 or 1a, paragraphs (c) to (g); or 609.345, subdivision 1 or 1a, paragraphs (c) to (g); or a similar statute in another jurisdiction.

(b) A license to practice certified midwifery is automatically revoked if the licensee is convicted of an offense listed in paragraph (a).

(c) A license to practice certified midwifery that has been denied or revoked under this subdivision is not subject to chapter 364.

(d) For purposes of this subdivision, "conviction" means a plea of guilty, a verdict of guilty by a jury, or a finding of guilty by the court, unless the court stays imposition or execution of the sentence and final disposition of the case is accomplished at a nonfelony level.

(e) The board may establish criteria whereby an individual convicted of an offense listed in paragraph (a) may become licensed if the criteria:

(1) utilize a rebuttable presumption that the applicant is not suitable for licensing;

(2) provide a standard for overcoming the presumption; and

(3) require that a minimum of ten years has elapsed since the applicant's sentence was discharged.

(f) The board must not consider an application under paragraph (e) if the board determines that the victim involved in the offense was a patient or a client of the applicant at the time of the offense.

Subd. 3. **Evidence.** In disciplinary actions alleging a violation of subdivision 1, clause (3) or (4), or 2, a copy of the judgment or proceeding under the seal of the court administrator or of the administrative agency that entered the same is admissible into evidence without further authentication and constitutes prima facie evidence of the violation concerned.

Subd. 4. **Examination; access to medical data.** (a) If the board has probable cause to believe that grounds for disciplinary action exist under subdivision 1, clause (8) or (9), it may direct the applicant or certified midwife to submit to a mental or physical examination or chemical dependency evaluation. For the purpose of this subdivision, when a certified midwife licensed under this chapter is directed in writing by the board to submit to a mental or physical examination or chemical dependency evaluation, that person is considered to have consented and to have waived all objections to admissibility on the grounds of privilege. Failure of the applicant or certified midwife to submit to an examination when directed constitutes an admission of the allegations against the applicant or certified midwife, unless the failure was due to circumstances beyond the person's control, and the board may enter a default and final order without taking testimony or allowing evidence to be presented. A certified midwife affected under this paragraph must, at reasonable intervals, be given an opportunity to demonstrate that the competent practice of certified midwifery can be resumed with reasonable skill and safety to patients. Neither the record of proceedings nor the orders entered by the board in a proceeding under this paragraph may be used against a certified midwife in any other proceeding.

(b) Notwithstanding sections 13.384, 144.651, and 595.02, or any other law limiting access to medical or other health data, the board may obtain medical data and health records relating to a certified midwife or applicant for a license without that person's consent if the board has probable cause to believe that grounds for disciplinary action exist under subdivision 1, clause (8) or (9). The medical data may be requested from a provider, as defined in section 144.291, subdivision 2; an insurance company; or a government agency, including the Department of Human Services or Direct Care and Treatment. A provider, insurance company, or government agency must comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the provider giving the information knew or had reason to believe the information was false. Information obtained under this subdivision is classified as private data on individuals as defined in section 13.02.

Sec. 97. [148G.14] FORMS OF DISCIPLINARY ACTION; AUTOMATIC SUSPENSION; TEMPORARY SUSPENSION; REISSUANCE.

Subdivision 1. **Forms of disciplinary action.** If the board finds that grounds for disciplinary action exist under section 148G.13, it may take one or more of the following actions:

- (1) deny the license application or application for license renewal;
- (2) revoke the license;
- (3) suspend the license;
- (4) impose limitations on the certified midwife's practice of certified midwifery, including but not limited to limitation of scope of practice or the requirement of practice under supervision;
- (5) impose conditions on the retention of the license, including but not limited to the imposition of retraining or rehabilitation requirements or the conditioning of continued practice on demonstration of knowledge or skills by appropriate examination, monitoring, or other review;
- (6) impose a civil penalty not exceeding \$10,000 for each separate violation. The amount of the civil penalty must be fixed so as to deprive the certified midwife of any economic advantage gained by reason of the violation charged; to reimburse the board for the cost of counsel, investigation, and proceeding; and to discourage repeated violations;
- (7) order the certified midwife to provide unremunerated service;
- (8) censure or reprimand the certified midwife; or
- (9) any other action justified by the facts in the case.

Subd. 2. **Automatic suspension of license.** (a) Unless the board orders otherwise, a license to practice certified midwifery is automatically suspended if:

- (1) a guardian of a certified midwife is appointed by order of a court under sections 524.5-101 to 524.5-502;
- (2) the certified midwife is committed by order of a court under chapter 253B; or
- (3) the certified midwife is determined to be mentally incompetent, mentally ill, chemically dependent, or a person dangerous to the public by a court of competent jurisdiction within or outside of Minnesota.

(b) The license remains suspended until the certified midwife is restored to capacity by a court and, upon petition by the certified midwife, the suspension is terminated by the board after a hearing or upon agreement between the board and the certified midwife.

Subd. 3. **Temporary suspension of license.** In addition to any other remedy provided by law, the board may, through its designated board member under section 214.10, subdivision 2, temporarily suspend the license of a certified midwife without a hearing if the board finds that there is probable cause to believe the certified midwife has violated a statute or rule the board is empowered to enforce and continued practice by the certified midwife would create a serious risk of harm to others. The suspension takes effect upon written notice to the certified midwife, served by first-class mail, specifying the statute or rule violated. The suspension must remain in effect until the board issues a temporary stay of suspension or a final order in the matter after a hearing or upon agreement between the board and the certified midwife. At the time it issues the suspension notice, the board must schedule a disciplinary hearing to be held under the

Administrative Procedure Act. The board must provide the certified midwife at least 20 days' notice of any hearing held under this subdivision. The board must schedule the hearing to begin no later than 30 days after the issuance of the suspension order.

Subd. 4. **Reissuance.** The board may reinstate and reissue a license to practice certified midwifery, but as a condition may impose any disciplinary or corrective measure that it might originally have imposed. Any person whose license has been revoked, suspended, or limited may have the license reinstated and a new license issued when, at the discretion of the board, the action is warranted, provided that the board must require the person to pay the costs of the proceedings resulting in the revocation, suspension, or limitation of the license; the relicensure fee; and the fee for the current licensure period. The cost of proceedings includes but is not limited to the cost paid by the board to the Office of Administrative Hearings and the Office of the Attorney General for legal and investigative services; the costs of a court reporter and witnesses, reproduction of records, board staff time, travel, and expenses; and the costs of board members' per diem reimbursements, travel costs, and expenses.

Sec. 98. [148G.15] REPORTING OBLIGATIONS.

Subdivision 1. **Permission to report.** A person who has knowledge of any conduct constituting grounds for discipline under section 148G.13 may report the alleged violation to the board.

Subd. 2. **Institutions.** The chief nursing executive or chief administrative officer of any hospital, clinic, prepaid medical plan, or other health care institution or organization located in Minnesota must report to the board any action taken by the institution or organization or any of its administrators or committees to revoke, suspend, limit, or condition a certified midwife's privilege to practice in the institution or as part of the organization, any denial of privileges, any dismissal from employment, or any other disciplinary action. The institution or organization must also report the resignation of any certified midwife before the conclusion of any disciplinary proceeding or before commencement of formal charges, but after the certified midwife had knowledge that formal charges were contemplated or in preparation. The reporting described by this subdivision is required only if the action pertains to grounds for disciplinary action under section 148G.13.

Subd. 3. **Licensed professionals.** A person licensed by a health-related licensing board as defined in section 214.01, subdivision 2, must report to the board personal knowledge of any conduct the person reasonably believes constitutes grounds for disciplinary action under section 148G.13 by any certified midwife, including conduct indicating that the certified midwife may be incompetent, may have engaged in unprofessional or unethical conduct, or may be mentally or physically unable to engage safely in the practice of certified midwifery.

Subd. 4. **Insurers.** (a) By the first day of February, May, August, and November each year, each insurer authorized to sell insurance described in section 60A.06, subdivision 1, clause (13), and providing professional liability insurance to certified midwives must submit to the board a report concerning any certified midwife against whom a malpractice award has been made or who has been a party to a settlement. The report must contain at least the following information:

- (1) the total number of settlements or awards;
- (2) the date a settlement or award was made;
- (3) the allegations contained in the claim or complaint leading to the settlement or award;
- (4) the dollar amount of each malpractice settlement or award and whether that amount was paid as a result of a settlement or of an award; and

(5) the name and address of the practice of the certified midwife against whom an award was made or with whom a settlement was made.

(b) An insurer must also report to the board any information it possesses that tends to substantiate a charge that a certified midwife may have engaged in conduct in violation of this chapter.

Subd. 5. **Courts.** The court administrator of district court or another court of competent jurisdiction must report to the board any judgment or other determination of the court that adjudges or includes a finding that a certified midwife is a person who is mentally ill, mentally incompetent, chemically dependent, dangerous to the public, guilty of a felony or gross misdemeanor, guilty of a violation of federal or state narcotics laws or controlled substances act, guilty of operating a motor vehicle while under the influence of alcohol or a controlled substance, or guilty of an abuse or fraud under Medicare or Medicaid; or if the court appoints a guardian of the certified midwife under sections 524.5-101 to 524.5-502 or commits a certified midwife under chapter 253B.

Subd. 6. **Deadlines; forms.** Reports required by subdivisions 2, 3, and 5 must be submitted no later than 30 days after the occurrence of the reportable event or transaction. The board may provide forms for the submission of reports required under this section, may require that the reports be submitted on the forms provided, and may adopt rules necessary to ensure prompt and accurate reporting. The board must review all reports, including those submitted after the deadline.

Subd. 7. **Failure to report.** Any person, institution, insurer, or organization that fails to report as required under subdivisions 2 to 6 is subject to civil penalties for failing to report as required by law.

Sec. 99. [148G.16] IMMUNITY.

Subdivision 1. **Reporting.** Any person, health care facility, business, or organization is immune from civil liability and criminal prosecution for submitting in good faith a report to the board under section 148G.15 or for otherwise reporting in good faith to the board violations or alleged violations of this chapter. All such reports are investigative data as defined in chapter 13.

Subd. 2. **Investigation.** (a) Members of the board, persons employed by the board or engaged in the investigation of violations and in the preparation and management of charges of violations of this chapter on behalf of the board, or persons participating in the investigation or testifying regarding charges of violations are immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under this chapter.

(b) Members of the board and persons employed by the board or engaged in maintaining records and making reports regarding adverse health care events are immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under this chapter.

Sec. 100. [148G.17] CERTIFIED MIDWIFE COOPERATION.

A certified midwife who is the subject of an investigation by or on behalf of the board must cooperate fully with the investigation. Cooperation includes responding fully and promptly to any question raised by or on behalf of the board relating to the subject of the investigation and providing copies of patient or other records in the certified midwife's possession, as reasonably requested by the board, to assist the board in its investigation and to appear at conferences and hearings scheduled by the board. The board must pay for copies requested. If the board does not have written consent from a patient permitting access to the patient's records, the certified midwife must delete any data in the record that identify the patient before providing it to the board. The board must maintain any records obtained pursuant to this section as investigative data

under chapter 13. The certified midwife must not be excused from giving testimony or producing any documents, books, records, or correspondence on the grounds of self-incrimination, but the testimony or evidence must not be used against the certified midwife in any criminal case.

Sec. 101. **[148G.18] DISCIPLINARY RECORD ON JUDICIAL REVIEW.**

Upon judicial review of any board disciplinary action taken under this chapter, the reviewing court must seal the administrative record, except for the board's final decision, and must not make the administrative record available to the public.

Sec. 102. **[148G.19] EXEMPTIONS.**

The provisions of this chapter do not prohibit:

- (1) the furnishing of certified midwifery assistance in an emergency;
- (2) the practice of certified midwifery by any legally qualified certified midwife of another state who is employed by the United States government or any bureau, division, or agency thereof while in the discharge of official duties;
- (3) the practice of any profession or occupation licensed by Minnesota, other than certified midwifery, by any person licensed to practice the profession or occupation, or the performance by a person of any acts properly coming within the scope of the profession, occupation, or license;
- (4) the practice of traditional midwifery as specified under section 147D.03;
- (5) certified midwifery practice by a student practicing under the supervision of an instructor while the student is enrolled in an approved certified midwifery education program; or
- (6) certified midwifery practice by a certified midwife licensed in another state, territory, or jurisdiction who is in Minnesota temporarily:
 - (i) providing continuing or in-service education;
 - (ii) serving as a guest lecturer;
 - (iii) presenting at a conference; or
 - (iv) teaching didactic content via distance education to a student located in Minnesota who is enrolled in a formal, structured course of study, such as a course leading to a higher degree in midwifery.

Sec. 103. **[148G.20] VIOLATIONS; PENALTY.**

Subdivision 1. **Violations described.** It is unlawful for any person, corporation, firm, or association to:

- (1) sell or fraudulently obtain or furnish any certified midwifery diploma, license, or record, or aid or abet therein;
- (2) practice certified midwifery under cover of any diploma, permit, license, certified midwife credential, or record illegally or fraudulently obtained or signed or issued unlawfully or under fraudulent representation;
- (3) practice certified midwifery unless the person is licensed to do so under this chapter;

(4) use the professional title certified midwife or licensed certified midwife unless licensed to practice certified midwifery under this chapter;

(5) use any abbreviation or other designation tending to imply licensure as a certified midwife unless licensed to practice certified midwifery under this chapter;

(6) practice certified midwifery in a manner prohibited by the board in any limitation of a license issued under this chapter;

(7) practice certified midwifery during the time a license issued under this chapter is suspended or revoked;

(8) knowingly employ persons in the practice of certified midwifery who have not been issued a current license to practice as a certified midwife in this state; or

(9) conduct a certified midwifery program for the education of persons to become certified midwives unless the program has been approved by the board.

Subd. 2. **Penalty.** Any person, corporation, firm, or association violating any provision of subdivision 1 is guilty of a gross misdemeanor and must be punished according to law.

Subd. 3. **Penalty; certified midwives.** In addition to subdivision 2, a person who practices certified midwifery without a current license and certification or recertification, or without current certification or recertification on file with the board, is subject to the applicable penalties in section 148G.11.

Sec. 104. **[148G.21] UNAUTHORIZED PRACTICE OF MIDWIFERY.**

The practice of certified midwifery by any person who is not licensed to practice certified midwifery under this chapter, whose license has been suspended or revoked, or whose national certification credential has expired is inimical to the public health and welfare and constitutes a public nuisance. Upon a complaint being made by the board or any prosecuting officer and upon a proper showing of the facts, the district court of the county where the practice occurred may enjoin such acts and practice. The injunction proceeding is in addition to, and not in lieu of, all other penalties and remedies provided by law.

Sec. 105. Minnesota Statutes 2024, section 150A.105, is amended by adding a subdivision to read:

Subd. 3a. **Collaborative management agreement under armed forces.** (a) While practicing under the auspices of the Minnesota National Guard or any branch of the armed forces, including the Navy, Marines, Army, Coast Guard, or Space Force, the collaborating dentist may be determined by the command structure of the armed service for which the dental therapist is a member assigned or contracted.

(b) A collaborating dentist for a dental therapist when in civilian practice will not be responsible for supervising the dental services performed by the dental therapist while the dental therapist is practicing under the auspices of the armed forces.

Sec. 106. Minnesota Statutes 2024, section 151.01, subdivision 15, is amended to read:

Subd. 15. **Pharmacist intern or intern.** "Pharmacist intern" or "intern" means:

(1) a natural person who has completed college or school of pharmacy orientation or is otherwise enrolled in a doctor of pharmacy program accredited by the Accreditation Council for Pharmacy Education (ACPE) and is satisfactorily progressing toward the degree in pharmacy required for licensure, ~~or~~;

(2) a graduate of the University of Minnesota College of Pharmacy, or other pharmacy college approved by the board, a doctor of pharmacy program accredited by ACPE who is registered by the Board of Pharmacy for the purpose of obtaining practical experience as a requirement for licensure as a pharmacist; or;

(3) a qualified applicant awaiting examination for licensure;

(4) a participant in a residency or fellowship program who is not licensed to practice pharmacy in Minnesota but is:

(i) licensed to practice pharmacy in another state; or

(ii) a graduate of a doctor of pharmacy program accredited by ACPE and not registered by the board under clause (2); or

(5) a foreign pharmacy graduate who:

(i) has passed the Foreign Pharmacy Graduate Equivalency Examination;

(ii) is certified by the Foreign Pharmacy Graduate Equivalency Commission; and

(iii) is seeking internship experience in accordance with Minnesota Rules, part 6800.1250.

Sec. 107. Minnesota Statutes 2024, section 151.01, subdivision 23, is amended to read:

Subd. 23. **Practitioner.** "Practitioner" means a licensed doctor of medicine, licensed doctor of osteopathic medicine duly licensed to practice medicine, licensed doctor of dentistry, licensed doctor of optometry, licensed podiatrist, licensed veterinarian, licensed advanced practice registered nurse, licensed certified midwife, or licensed physician assistant. For purposes of sections 151.15, subdivision 4; 151.211, subdivision 3; 151.252, subdivision 3; 151.37, subdivision 2, paragraph (b); and 151.461, "practitioner" also means a dental therapist authorized to dispense and administer under chapter 150A. For purposes of sections 151.252, subdivision 3, and 151.461, "practitioner" also means a pharmacist authorized to prescribe self-administered hormonal contraceptives, nicotine replacement medications, or opiate antagonists under section 151.37, subdivision 14, 15, or 16, or authorized to prescribe drugs to prevent the acquisition of human immunodeficiency virus (HIV) under section 151.37, subdivision 17.

Sec. 108. Minnesota Statutes 2024, section 151.065, subdivision 1, is amended to read:

Subdivision 1. **Application fees.** Application fees for licensure and registration are as follows:

(1) pharmacist licensed by examination, \$225;

(2) pharmacist licensed by reciprocity, \$300;

(3) pharmacy intern, ~~\$75~~ \$25;

(4) pharmacy technician, \$60;

(5) pharmacy, \$450;

(6) drug wholesaler, legend drugs only, \$5,500;

(7) drug wholesaler, legend and nonlegend drugs, \$5,500;

(8) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, \$5,500;

- (9) drug wholesaler, medical gases, \$5,500 for the first facility and \$500 for each additional facility;
- (10) third-party logistics provider, \$300;
- (11) drug manufacturer, nonopiate legend drugs only, \$5,500;
- (12) drug manufacturer, nonopiate legend and nonlegend drugs, \$5,500;
- (13) drug manufacturer, nonlegend or veterinary legend drugs, \$5,500;
- (14) drug manufacturer, medical gases, \$5,500 for the first facility and \$500 for each additional facility;
- (15) drug manufacturer, also licensed as a pharmacy in Minnesota, \$5,500;
- (16) drug manufacturer of opiate-containing controlled substances listed in section 152.02, subdivisions 3 to 5, \$55,500;
- (17) medical gas dispenser, \$400;
- (18) controlled substance researcher, \$150; and
- (19) pharmacy professional corporation, \$150.

Sec. 109. Minnesota Statutes 2024, section 151.065, subdivision 3, is amended to read:

Subd. 3. **Annual renewal fees.** Annual licensure and registration renewal fees are as follows:

- (1) pharmacist, \$225;
- (2) pharmacy technician, \$60;
- (3) beginning January 1, 2026, pharmacy intern, \$25;
- ~~(3)~~ (4) pharmacy, \$450;
- ~~(4)~~ (5) drug wholesaler, legend drugs only, \$5,500;
- ~~(5)~~ (6) drug wholesaler, legend and nonlegend drugs, \$5,500;
- ~~(6)~~ (7) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, \$5,500;
- ~~(7)~~ (8) drug wholesaler, medical gases, \$5,500 for the first facility and \$500 for each additional facility;
- ~~(8)~~ (9) third-party logistics provider, \$300;
- ~~(9)~~ (10) drug manufacturer, nonopiate legend drugs only, \$5,500;
- ~~(10)~~ (11) drug manufacturer, nonopiate legend and nonlegend drugs, \$5,500;
- ~~(11)~~ (12) drug manufacturer, nonlegend, veterinary legend drugs, or both, \$5,500;
- ~~(12)~~ (13) drug manufacturer, medical gases, \$5,500 for the first facility and \$500 for each additional facility;
- ~~(13)~~ (14) drug manufacturer, also licensed as a pharmacy in Minnesota, \$5,500;

~~(14)~~ (15) drug manufacturer of opiate-containing controlled substances listed in section 152.02, subdivisions 3 to 5, \$55,500;

~~(15)~~ (16) medical gas dispenser, \$400;

~~(16)~~ (17) controlled substance researcher, \$150; and

~~(17)~~ (18) pharmacy professional corporation, \$150.

Sec. 110. Minnesota Statutes 2024, section 151.065, subdivision 6, is amended to read:

Subd. 6. **Reinstatement fees.** (a) A pharmacist who has allowed the pharmacist's license to lapse may reinstate the license with board approval and upon payment of any fees and late fees in arrears, up to a maximum of \$1,000.

(b) A pharmacy technician who has allowed the technician's registration to lapse may reinstate the registration with board approval and upon payment of any fees and late fees in arrears, up to a maximum of \$250.

(c) A pharmacy intern who has allowed the intern's registration to lapse may reinstate the registration with board approval and upon payment of any fees and late fees in arrears, up to a maximum of \$100.

~~(e)~~ (d) An owner of a pharmacy, a drug wholesaler, a drug manufacturer, third-party logistics provider, or a medical gas dispenser who has allowed the license of the establishment to lapse may reinstate the license with board approval and upon payment of any fees and late fees in arrears.

~~(d)~~ (e) A controlled substance researcher who has allowed the researcher's registration to lapse may reinstate the registration with board approval and upon payment of any fees and late fees in arrears.

~~(e)~~ (f) A pharmacist owner of a professional corporation who has allowed the corporation's registration to lapse may reinstate the registration with board approval and upon payment of any fees and late fees in arrears.

Sec. 111. Minnesota Statutes 2024, section 151.101, is amended to read:

151.101 INTERNSHIP.

Subdivision 1. **Registration requirements.** (a) Upon payment of the fee specified in section 151.065, the board may register as an intern any natural persons who have satisfied the board that they are of good moral character, not physically or mentally unfit, and who have successfully completed the educational requirements for intern registration prescribed by the board. ~~The board shall prescribe standards and requirements for interns, pharmacist preceptors, and internship training but may not require more than one year of such training.~~

(b) The board in its discretion may accept internship experience obtained in another state provided the internship requirements in such other state are in the opinion of the board equivalent to those herein provided.

Subd. 2. **Renewal requirements.** (a) Beginning January 1, 2026, an intern registration expires on September 30 each year or when the intern receives a pharmacist license, whichever is earlier.

(b) To renew an intern registration, the intern must file an application for renewal and submit the fee established under section 151.065 on or before September 1 each year.

(c) If the board does not receive the intern's registration renewal application on or before September 1 each year, the intern is subject to a late filing fee equal to 50 percent of the renewal fee under section 151.065 in addition to the renewal fee.

(d) An individual who received an intern registration under the criteria in section 151.01, subdivision 15, clause (1), and paid \$75 for the individual's application fee between May 1, 2024, and June 30, 2025, is not subject to the \$25 renewal fee for the first two renewal cycles following the \$75 fee payment.

(e) If an individual is no longer enrolled in a doctor of pharmacy program accredited by the Accreditation Council for Pharmacy Education, the board must terminate that individual's intern registration effective the last date the individual was enrolled in a qualifying program.

(f) The board must not renew an intern registration unless the individual:

(1) has maintained current notices of employment for internship training with the board;

(2) submitted a progress report affidavit of the intern credit hours completed by June 15 each year;

(3) meets all other eligibility criteria for a pharmacist intern; and

(4) demonstrates to the board's satisfaction the individual is in good faith and with reasonable diligence pursuing a degree in pharmacy or is completing a pharmacy residency or fellowship.

(g) An intern whose registration has lapsed may renew the intern registration within one year of expiration, subject to the fees in paragraph (c). An intern whose registration has lapsed for more than one year must meet the registration requirements for an initial intern applicant in effect at the time the individual applies for reinstatement and pay any fees and late fees in arrears in accordance with section 151.065.

(h) If the board receives a late renewal, reinstatement, or initial intern application from an eligible individual within 90 days before September 30, the board may extend the registration expiration date for that applicant to September 30 of the subsequent calendar year and prorate the application fee accordingly.

Subd. 3. **Internship credit hour requirements.** (a) To apply for licensure as a pharmacist under section 151.10, an individual must complete at least 1,600 intern credit hours under the direction and supervision of a preceptor.

(b) Of the 1,600 credit hours required under this subdivision, an intern may earn:

(1) a maximum of 80 credit hours in the individual's first professional academic year for a structured experience directed by the college of pharmacy that the individual attends and is overseen by college faculty, registered preceptors, or supervising licensed pharmacists;

(2) a maximum of 400 credit hours of concurrent time internship; and

(3) a maximum of 54 credit hours per week that may be earned from more than one site.

Sec. 112. Minnesota Statutes 2024, section 151.555, subdivision 6, is amended to read:

Subd. 6. **Standards and procedures for accepting donations of drugs and supplies and purchasing drugs from licensed wholesalers.** (a) Notwithstanding any other law or rule, a donor may donate drugs or medical supplies to the central repository or a local repository if the drug or supply meets the requirements of this section as determined by a pharmacist or practitioner who is employed by or under contract with the central repository or a local repository.

(b) A drug is eligible for donation under the medication repository program if the following requirements are met:

(1) the drug's expiration date is at least six months after the date the drug was donated. If a donated drug bears an expiration date that is less than six months from the donation date, the drug may be accepted and distributed if the drug is in high demand and can be dispensed for use by a patient before the drug's expiration date;

(2) the drug is in its original, sealed, unopened, tamper-evident packaging that includes the expiration date. Single-unit-dose drugs may be accepted if the single-unit-dose packaging is unopened;

(3) the drug or the packaging does not have any physical signs of tampering, misbranding, deterioration, compromised integrity, or adulteration;

(4) the drug does not require storage temperatures other than normal room temperature as specified by the manufacturer or United States Pharmacopoeia, unless the drug is being donated directly by its manufacturer, a wholesale drug distributor, or a pharmacy located in Minnesota; and

(5) the drug is not a controlled substance.

(c) A medical supply is eligible for donation under the medication repository program if the following requirements are met:

(1) the supply has no physical signs of tampering, misbranding, or alteration and there is no reason to believe it has been adulterated, tampered with, or misbranded;

(2) the supply is in its original, unopened, sealed packaging; and

(3) if the supply bears an expiration date, the date is at least six months later than the date the supply was donated. If the donated supply bears an expiration date that is less than six months from the date the supply was donated, the supply may be accepted and distributed if the supply is in high demand and can be dispensed for use by a patient before the supply's expiration date.

(d) The board shall develop the medication repository donor form and make it available on the board's website. Prior to the first donation from a new donor, a central repository or local repository shall verify and record the following information on the donor form:

(1) the donor's name, address, phone number, and license number, if applicable;

(2) that the donor will only make donations in accordance with the program;

(3) to the best of the donor's knowledge, only drugs or supplies that have been properly stored under appropriate temperature and humidity conditions will be donated; and

(4) to the best of the donor's knowledge, only drugs or supplies that have never been opened, used, tampered with, adulterated, or misbranded will be donated.

(e) Notwithstanding any other law or rule, a central repository or a local repository may receive donated drugs from donors. Donated drugs and supplies may be shipped or delivered to the premises of the central repository or a local repository, and shall be inspected by a pharmacist or an authorized practitioner who is employed by or under contract with the repository and who has been designated by the repository prior to dispensing. A drop box must not be used to deliver or accept donations.

(f) The central repository and local repository shall maintain a written or electronic inventory of all drugs and supplies donated to the repository upon acceptance of each drug or supply. For each drug, the inventory must include the drug's name, strength, quantity, manufacturer, expiration date, and the date the drug was donated. For each medical supply, the inventory must include a description of the supply, its manufacturer, the date the supply was donated, and, if applicable, the supply's brand name and expiration date. The board may waive the requirement under this paragraph if an entity is under common ownership or control with a central repository or local repository and either the entity or the repository maintains an inventory containing all the information required under this paragraph.

(g) The central repository may purchase a drug from a wholesaler licensed by the board to fill prescriptions for eligible patients when the repository does not have a sufficient supply of donated drugs to fill the prescription. The central repository may use any purchased drugs remaining after filling the prescriptions for which the drugs were initially purchased to fill other prescriptions. Whenever possible, the repository must use donated drugs to fill prescriptions.

Sec. 113. Minnesota Statutes 2024, section 151.555, subdivision 10, is amended to read:

Subd. 10. **Distribution of donated drugs and supplies.** (a) The central repository and local repositories may distribute drugs and supplies donated under the medication repository program to other participating repositories for use pursuant to this program.

(b) A local repository that elects not to dispense donated drugs or supplies that are suitable for donation and dispensing must transfer ~~at~~ those donated drugs and supplies to the central repository. A copy of the donor form that was completed by the original donor under subdivision 6 must be provided to the central repository at the time of transfer. A local repository must dispose of drugs and supplies in its possession that are not suitable for donation or dispensing pursuant to subdivision 7.

Sec. 114. Minnesota Statutes 2024, section 152.12, subdivision 1, is amended to read:

Subdivision 1. **Prescribing, dispensing, administering controlled substances in Schedules II through V.** A licensed doctor of medicine, a doctor of osteopathic medicine, duly licensed to practice medicine, a doctor of dental surgery, a doctor of dental medicine, a licensed doctor of podiatry, a licensed advanced practice registered nurse, a licensed certified midwife, a licensed physician assistant, or a licensed doctor of optometry limited to Schedules IV and V, and in the course of professional practice only, may prescribe, administer, and dispense a controlled substance included in Schedules II through V of section 152.02, may cause the same to be administered by a nurse, an intern or an assistant under the direction and supervision of the doctor, and may cause a person who is an appropriately certified and licensed health care professional to prescribe and administer the same within the expressed legal scope of the person's practice as defined in Minnesota Statutes.

Sec. 115. [153.30] FEES.

Subdivision 1. **Nonrefundable fees.** The fees in this section are nonrefundable.

Subd. 2. **Fee amounts.** The amount of fees must be set by the board so that the total fees collected by the board equals as closely as possible the anticipated expenditures during the fiscal biennium, as provided in section 16A.1285. Fees must not exceed the following amounts but may be adjusted lower by board action:

(1) application for licensure fee, \$1,000;

(2) renewal licensure fee, \$1,000;

(3) late renewal fee, \$250;

(4) temporary permit fee, \$250;

(5) duplicate license fee or duplicate renewal certificate fee, \$25;

(6) reinstatement fee, \$1,250;

(7) examination administration fee for persons who have not applied for a license or permit, \$50;

(8) verification of licensure fee, \$50;

(9) label fee, \$50;

(10) list of licensees fee, \$50; and

(11) copies fee, \$0.50 per page.

Subd. 3. **Current fee information.** Information about fees in effect at any time must be available from the board office.

Subd. 4. **Deposit of fees.** The license fees collected under this section must be deposited in the state government special revenue fund.

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

Sec. 116. Minnesota Statutes 2024, section 153B.85, subdivision 1, is amended to read:

Subdivision 1. **Fees.** (a) The application fee for initial licensure shall not exceed \$600.

(b) The biennial renewal fee for a license to practice as an orthotist, prosthetist, prosthetist orthotist, or pedorthist shall not exceed \$600.

(c) The biennial renewal fee for a license to practice as an assistant or a fitter shall not exceed \$300.

(d) The fee for license restoration shall not exceed \$600.

(e) The fee for license verification shall not exceed ~~\$30~~ \$50.

(f) The fee to obtain a list of licensees shall not exceed ~~\$25~~ \$50.

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

Sec. 117. Minnesota Statutes 2024, section 153B.85, subdivision 3, is amended to read:

Subd. 3. **Late fee.** The fee for late license renewal is the license renewal fee in effect at the time of renewal plus ~~\$100~~ \$250.

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

Sec. 118. Minnesota Statutes 2024, section 156.015, is amended by adding a subdivision to read:

Subd. 1a. **Nonrefundable fees.** All fees are nonrefundable.

Sec. 119. Minnesota Statutes 2024, section 156.015, is amended by adding a subdivision to read:

Subd. 3. **Fee amounts.** Fees must not exceed the following amounts but may be adjusted lower by board action:

- (1) initial application fee, \$75;
- (2) state examination fee, \$75;
- (3) duplicate license fee, \$25;
- (4) continuing education sponsor application fee, \$75;
- (5) mailing list fee, \$250;
- (6) initial veterinary license fee, \$300;
- (7) initial veterinary technician fee, \$100;
- (8) active veterinary renewal fee, \$300;
- (9) active veterinary technician renewal fee, \$100;
- (10) inactive veterinary renewal fee, \$150;
- (11) inactive veterinary technician renewal fee, \$50;
- (12) institutional license fee, \$300;
- (13) active late veterinary renewal fee, \$150;
- (14) active late veterinary technician renewal fee, \$50;
- (15) inactive late veterinary renewal fee, \$100;
- (16) inactive late veterinary technician renewal fee, \$25; and
- (17) institutional late renewal fee, \$150.

Sec. 120. Minnesota Statutes 2024, section 156.015, is amended by adding a subdivision to read:

Subd. 4. **License verification.** The board may charge a fee not to exceed \$25 per license verification to a licensee for verification of licensure status provided to other veterinary licensing boards.

Sec. 121. Minnesota Statutes 2024, section 156.015, is amended by adding a subdivision to read:

Subd. 5. **Deposit of fees.** The license fees collected under this section must be deposited in the state government special revenue fund.

Sec. 122. Minnesota Statutes 2024, section 214.06, is amended by adding a subdivision to read:

Subd. 4. **Reports on one year or more of operating funds of health-related licensing boards.** At the time of the delivery of each February and November forecast of state revenue and expenditures under section 16A.103, the commissioner of management and budget must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health-related licensing boards

identifying the health-related licensing boards that have accumulated one year or more of operating funds. This subdivision is effective the day following the date on which the transfer required under article 23, section 7, of this act takes place, and expires June 30, 2030.

Sec. 123. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision to read:

Subd. 28c. **Certified midwifery practice services.** Medical assistance covers services performed by a licensed certified midwife if:

(1) the service provided on an inpatient basis is not included as part of the cost for inpatient services included in the facility payment;

(2) the service is otherwise covered under this chapter as a physician service; and

(3) the service is within the scope of practice of the certified midwife's license as defined under chapter 148G.

Sec. 124. **REVISOR INSTRUCTION.**

(a) The revisor of statutes shall renumber Minnesota Statutes, section 148.6408, subdivision 1, as Minnesota Statutes, section 148.6408, subdivision 1b.

(b) The revisor of statutes shall renumber Minnesota Statutes, section 148.6410, subdivision 1, as Minnesota Statutes, section 148.6410, subdivision 1b.

Sec. 125. **REPEALER.**

(a) Minnesota Statutes 2024, sections 148.108, subdivisions 2, 3, and 4; 148.6402, subdivision 22a; 148.6420, subdivisions 2, 3, and 4; 148.6423, subdivisions 4, 5, 7, 8, and 9; 148.6425, subdivision 3; 148.6430; 148.6445, subdivisions 5, 6, and 8; and 156.015, subdivision 1, are repealed.

(b) Minnesota Rules, parts 2500.1150; 2500.2030; 6800.5100, subpart 5; 6800.5400, subparts 5 and 6; 9100.0400, subparts 1 and 3; 9100.0500; and 9100.0600, are repealed.

(c) Minnesota Rules, part 6900.0250, subparts 1 and 2, are repealed.

EFFECTIVE DATE. Paragraph (c) is effective the day following final enactment.

ARTICLE 4

PHARMACY BENEFITS

Section 1. **[62Q.83] FORMULARY CHANGES.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Drug" has the meaning given in section 151.01, subdivision 5.

(c) "Enrollee" has the meaning given in section 62Q.01, subdivision 2b.

(d) "Formulary" means a current list of covered prescription drug products that is subject to periodic review and update.

(e) "Health plan" has the meaning given in section 62Q.01, subdivision 3.

(f) "Pharmacy benefit manager" has the meaning given in section 62W.02, subdivision 15.

(g) "Prescription" has the meaning given in section 151.01, subdivision 16a.

Subd. 2. **Formulary changes.** (a) Except as provided in paragraphs (b) and (c), a health plan must not, with respect to an enrollee who was previously prescribed the drug during the plan year, remove a drug from the health plan's formulary or place a drug in a benefit category that increases the enrollee's cost for the duration of the enrollee's plan year.

(b) Paragraph (a) does not apply if a health plan changes the health plan's formulary:

(1) for a drug that has been deemed unsafe by the United States Food and Drug Administration (FDA);

(2) for a drug that has been withdrawn by the FDA or the drug manufacturer; or

(3) when an independent source of research, clinical guidelines, or evidence-based standards has issued drug-specific warnings or recommended changes with respect to a drug's use for reasons related to previously unknown and imminent patient harm.

(c) Paragraph (a) does not apply if a health plan removes a brand name drug from the health plan's formulary or places a brand name drug in a benefit category that increases the enrollee's cost if the health plan:

(1) adds to the health plan's formulary a generic or multisource brand name drug rated as therapeutically equivalent according to the FDA Orange Book, a biologic drug rated as interchangeable according to the FDA Purple Book, or a biosimilar at the same or lower cost to the enrollee; and

(2) provides at least a 60-day notice to prescribers, pharmacists, and affected enrollees.

EFFECTIVE DATE. This section is effective January 1, 2026, and applies to health plans offered, sold, issued, or renewed on or after that date.

Sec. 2. Minnesota Statutes 2024, section 256B.0625, subdivision 13, is amended to read:

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

(b) The dispensed quantity of a prescription drug must not exceed a 34-day supply unless authorized by the commissioner or as provided in paragraph (h) or the drug appears on the 90-day supply list published by the commissioner. The 90-day supply list shall be published by the commissioner on the department's website. The commissioner may add to, delete from, and otherwise modify the 90-day supply list after providing public notice and the opportunity for a 15-day public comment period. The 90-day supply list may include cost-effective generic drugs and shall not include controlled substances.

(c) For the purpose of this subdivision and subdivision 13d, an "active pharmaceutical ingredient" is defined as a substance that is represented for use in a drug and when used in the manufacturing, processing, or packaging of a drug becomes an active ingredient of the drug product. An "excipient" is defined as an inert substance used as a diluent or vehicle for a drug. The commissioner shall establish a list of active

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

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

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

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

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

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

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

(g) Notwithstanding paragraph (a), medical assistance covers self-administered hormonal contraceptives prescribed and dispensed by a licensed pharmacist in accordance with section 151.37, subdivision 14; nicotine replacement medications prescribed and dispensed by a licensed pharmacist in accordance with section 151.37, subdivision 15; and opiate antagonists used for the treatment of an acute opiate overdose prescribed and dispensed by a licensed pharmacist in accordance with section 151.37, subdivision 16.

(h) Medical assistance coverage for a prescription contraceptive must provide a 12-month supply for any prescription contraceptive if a 12-month supply is prescribed by the prescribing health care provider. The prescribing health care provider must determine the appropriate duration for which to prescribe the prescription contraceptives, up to 12 months. For purposes of this paragraph, "prescription contraceptive" means any drug or device that requires a prescription and is approved by the Food and Drug Administration to prevent pregnancy. Prescription contraceptive does not include an emergency contraceptive drug approved

to prevent pregnancy when administered after sexual contact. For purposes of this paragraph, "health plan" has the meaning provided in section 62Q.01, subdivision 3.

(i) Notwithstanding a removal of a drug from the drug formulary under subdivision 13d, except as provided in paragraphs (j) and (k), medical assistance covers a drug, with respect to an enrollee who was previously prescribed the drug during the calendar year when the drug was on the formulary, at the same level until January 1 of the calendar year following the year in which the commissioner removed the drug from the formulary.

(j) Paragraph (i) does not apply if the commissioner changes the drug formulary:

(1) for a drug that has been deemed unsafe by the United States Food and Drug Administration (FDA);

(2) for a drug that has been withdrawn by the FDA or the drug manufacturer; or

(3) when an independent source of research, clinical guidelines, or evidence-based standards has issued drug-specific warnings or recommended changes with respect to a drug's use for reasons related to previously unknown and imminent patient harm.

(k) Paragraph (i) does not apply when the commissioner removes a brand name drug from the formulary if the commissioner adds to the formulary a generic or multisource brand name drug rated as therapeutically equivalent according to the FDA Orange Book, or a biologic drug rated as interchangeable according to the FDA Purple Book, at the same or lower cost to the enrollee.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 3. Minnesota Statutes 2024, section 256B.0625, subdivision 13c, is amended to read:

Subd. 13c. **Formulary Committee.** The commissioner, after receiving recommendations from professional medical associations and professional pharmacy associations, and consumer groups shall designate a Formulary Committee to carry out duties as described in subdivisions 13 to 13g. The Formulary Committee shall be comprised of at least five licensed physicians actively engaged in the practice of medicine in Minnesota, one of whom is an actively practicing psychiatrist, one of whom specializes in the diagnosis and treatment of rare diseases, one of whom specializes in pediatrics, and one of whom actively treats persons with disabilities; at least three licensed pharmacists actively engaged in the practice of pharmacy in Minnesota, one of whom practices outside the metropolitan counties listed in section 473.121, subdivision 4, one of whom practices in the metropolitan counties listed in section 473.121, subdivision 4, and one of whom is a practicing hospital pharmacist; at least two consumer representatives, all of whom must have a personal or professional connection to medical assistance; and one representative designated by the Minnesota Rare Disease Advisory Council established under section 256.4835; the remainder to be made up of health care professionals who are licensed in their field and have recognized knowledge in the clinically appropriate prescribing, dispensing, and monitoring of covered outpatient drugs. Members of the Formulary Committee shall not be employed by the Department of Human Services or have a personal interest in a pharmaceutical company, pharmacy benefits manager, health plan company, or their affiliate organizations, but the committee shall be staffed by an employee of the department who shall serve as an ex officio, nonvoting member of the committee. For the purposes of this subdivision, "personal interest" means that a person owns at least five percent of the voting interest or equity interest in the entity, the equity interest owned by a person represents at least five percent of that person's net worth, or more than five percent of a person's gross income for the preceding year was derived from the entity. A committee member must notify the committee of any

potential conflict of interest and recuse themselves from any communications, discussion, or vote on any matter where a conflict of interest exists. A conflict of interest alone, without a personal interest, does not preclude an applicant from serving as a member of the Formulary Committee. Members may be removed from the committee for cause after a recommendation for removal by a majority of the committee membership. For the purposes of this subdivision, "cause" does not include offering a differing or dissenting clinical opinion on a drug or drug class. The department's medical director shall also serve as an ex officio, nonvoting member for the committee. Committee members shall serve three-year terms and may be reappointed twice by the commissioner. The committee members shall vote on a chair and vice chair from among their membership. The chair shall preside over all committee meetings, and the vice chair shall preside over the meetings if the chair is not present. The Formulary Committee shall meet at least three times per year. The commissioner may require more frequent Formulary Committee meetings as needed. An honorarium of \$100 per meeting and reimbursement for mileage shall be paid to each committee member in attendance. The Formulary Committee expires June 30, ~~2027~~ 2029. The Formulary Committee is subject to the Open Meeting Law under chapter 13D. For purposes of establishing a quorum to transact business, vacant committee member positions do not count in the calculation as long as at least 60 percent of the committee member positions are filled.

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

Sec. 4. Minnesota Statutes 2024, section 256B.0625, subdivision 13d, is amended to read:

Subd. 13d. **Drug formulary.** (a) The commissioner shall establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the Administrative Procedure Act, but the Formulary Committee shall review and comment on the formulary contents.

(b) The formulary shall not include:

- (1) drugs, active pharmaceutical ingredients, or products for which there is no federal funding;
- (2) over-the-counter drugs, except as provided in subdivision 13;
- (3) drugs or active pharmaceutical ingredients when used for the treatment of impotence or erectile dysfunction;
- (4) drugs or active pharmaceutical ingredients for which medical value has not been established;
- (5) drugs from manufacturers who have not signed a rebate agreement with the Department of Health and Human Services pursuant to section 1927 of title XIX of the Social Security Act; and
- (6) medical cannabis flower as defined in section 342.01, subdivision 54, or medical cannabinoid products as defined in section 342.01, subdivision 52.

(c) If a single-source drug used by at least two percent of the fee-for-service medical assistance recipients is removed from the formulary due to the failure of the manufacturer to sign a rebate agreement with the Department of Health and Human Services, the commissioner shall notify prescribing practitioners within 30 days of receiving notification from the Centers for Medicare and Medicaid Services (CMS) that a rebate agreement was not signed.

(d) Within ten calendar days of any commissioner determination to change the drug formulary, the commissioner must provide written notice to all enrollees, prescribers, and pharmacists affected by the change. The notice must include a description of the change, the reason for the change, and the date the change will become effective.

(e) By January 15, 2026, and annually thereafter, the commissioner of human services must provide a report with data and information related to the effects on enrollees of drug formulary changes made in the prior calendar year to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance. The report must include but is not limited to data and information on:

- (1) the number of times the formulary was changed;
- (2) the reasons for the formulary changes and how frequently the formulary was changed for each reason;
- (3) the drugs that were removed from the formulary;
- (4) for each drug that was removed from the formulary, the number of enrollees who were prescribed that drug when it was removed;
- (5) for each drug that was removed from the formulary, whether a therapeutically equivalent drug was added;
- (6) the drugs that were added to the formulary;
- (7) the fiscal impacts to the Department of Human Services resulting from the changes to the formulary; and
- (8) enrollee populations or medical conditions disproportionately affected by the formulary changes.

Sec. 5. Minnesota Statutes 2024, section 256B.0625, subdivision 13e, is amended to read:

Subd. 13e. **Payment rates.** (a) The basis for determining the amount of payment shall be the lower of the ingredient costs of the drugs plus the professional dispensing fee; or the usual and customary price charged to the public. The usual and customary price means the lowest price charged by the provider to a patient who pays for the prescription by cash, check, or charge account and includes prices the pharmacy charges to a patient enrolled in a prescription savings club or prescription discount club administered by the pharmacy or pharmacy chain, unless the prescription savings club or prescription discount club is one in which an individual pays a recurring monthly access fee for unlimited access to a defined list of drugs for which the pharmacy does not bill the member or a payer on a per-standard-transaction basis. The amount of payment basis must be reduced to reflect all discount amounts applied to the charge by any third-party provider/insurer agreement or contract for submitted charges to medical assistance programs. The net submitted charge may not be greater than the patient liability for the service. The professional dispensing fee shall be \$11.55 for prescriptions filled with legend drugs meeting the definition of "covered outpatient drugs" according to United States Code, title 42, section 1396r-8(k)(2). The dispensing fee for intravenous solutions that must be compounded by the pharmacist shall be \$11.55 per claim. The professional dispensing fee for prescriptions filled with over-the-counter drugs meeting the definition of covered outpatient drugs shall be \$11.55 for dispensed quantities equal to or greater than the number of units contained in the manufacturer's original package. The professional dispensing fee shall be prorated based on the percentage of the package dispensed when the pharmacy dispenses a quantity less than the number of units contained in the manufacturer's original package. The pharmacy dispensing fee for prescribed over-the-counter drugs not meeting the definition of covered outpatient drugs shall be \$3.65 for quantities equal to or greater than the number of units contained in the manufacturer's original package and shall be prorated based on the percentage of the package dispensed when the pharmacy dispenses a quantity less than the number of units contained in the manufacturer's original package. The ingredient cost for a drug is either: (1) the lower of the National Average Drug Acquisition Cost (NADAC) shall be used to determine the ingredient cost of a

~~drug, or the Minnesota actual acquisition cost (MNAAC) under paragraph (i); (2) the maximum allowable cost, if a drug ingredient cost is unreported in the NADAC and the MNAAC; or (3) for drugs for which a NADAC is not reported, the commissioner shall estimate the ingredient cost at the wholesale acquisition cost minus two percent, if a drug ingredient cost is unreported in the NADAC and the MNAAC and a maximum allowable cost is unavailable. The ingredient cost of a drug for a provider participating in the federal 340B Drug Pricing Program shall be is either: (1) the lowest of the 340B Drug Pricing Program ceiling price established by the Health Resources and Services Administration or, the NADAC, whichever is lower, or the MNAAC; (2) the maximum allowable cost, if the 340B ceiling price is unknown and the drug ingredient cost is unreported in the NADAC and the MNAAC; or (3) the wholesale acquisition cost minus two percent, if the 340B ceiling price is unknown, the drug ingredient cost is unreported in the NADAC and the MNAAC, and the maximum allowable cost is unavailable. Wholesale acquisition cost is defined as the manufacturer's list price for a drug or biological to wholesalers or direct purchasers in the United States, not including prompt pay or other discounts, rebates, or reductions in price, for the most recent month for which information is available, as reported in wholesale price guides or other publications of drug or biological pricing data. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to the actual acquisition cost of the drug product and no higher than the NADAC of the generic product. Establishment of the amount of payment for drugs shall not be subject to the requirements of the Administrative Procedure Act.~~

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

(c) A pharmacy provider using packaging that meets the standards set forth in Minnesota Rules, part 6800.2700, is required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse, unless the pharmacy is using retrospective billing. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply.

(d) ~~If a pharmacy dispenses a multisource drug, the ingredient cost shall be the~~ is either: (1) the lower of the NADAC or the MNAAC of the generic product ~~or; (2) the maximum allowable cost, if the generic product ingredient cost is unreported in the NADAC and the MNAAC; or (3) the wholesale acquisition cost minus two percent of the generic product established by the commissioner, if the generic drug ingredient cost is unreported in the NADAC and the MNAAC and a maximum allowable cost is unavailable, unless prior authorization for the brand name product has been granted according to the criteria established by the Drug Formulary Committee as required by subdivision 13f, paragraph (a), and the prescriber has indicated "dispense as written" on the prescription in a manner consistent with section 151.21, subdivision 2. If prior authorization is granted, the ingredient cost is either: (1) the lower of the NADAC or the MNAAC of the brand name product; (2) the maximum allowable cost, if the drug ingredient cost is unreported in the NADAC and MNAAC; or (3) the wholesale acquisition cost minus two percent, if the drug ingredient cost is unreported in the NADAC and the MNAAC and the maximum allowable cost is unavailable. A generic product includes a generic drug, an authorized generic drug, and a biosimilar biological product as defined in Code of Federal Regulations, title 42, section 423.4. A brand name product includes a brand name drug, a brand name biological product, and an unbranded biological product as defined in Code of Federal Regulations, title 42, section 423.4.~~

(e) The basis for determining the amount of payment for drugs administered in an outpatient setting ~~shall be~~ is the ~~lower~~ lowest of the usual and customary cost submitted by the provider, 106 percent of the average sales price as determined by the United States Department of Health and Human Services pursuant to title XVIII, section 1847a of the federal Social Security Act, the ~~specialty pharmacy rate~~ MNAAC, or the maximum allowable cost set by the commissioner. If the average sales price is, the MNAAC, and the maximum allowable cost are unavailable, the amount of payment must be the lower of the usual and customary cost submitted by the provider, or the wholesale acquisition cost, the specialty pharmacy rate, or the maximum allowable cost set by the commissioner. The commissioner shall discount the payment rate for drugs obtained through the federal 340B Drug Pricing Program by 28.6 percent. The payment for drugs administered in an outpatient setting shall be made to the administering facility or practitioner. A retail or specialty pharmacy dispensing a drug for administration in an outpatient setting is not eligible for direct reimbursement.

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

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

~~(h)~~ (g) The commissioner shall contract with a vendor to conduct a cost of dispensing survey for all pharmacies that are physically located in the state of Minnesota that dispense outpatient drugs under medical assistance. The commissioner shall ensure that the vendor has prior experience in conducting cost of dispensing surveys. Each pharmacy enrolled with the department to dispense outpatient prescription drugs to fee-for-service members must respond to the cost of dispensing survey. The commissioner may sanction a pharmacy under section 256B.064 for failure to respond. The commissioner shall require the vendor to measure a single statewide cost of dispensing for specialty prescription drugs and a single statewide cost of dispensing for nonspecialty prescription drugs for all responding pharmacies to measure the mean, mean weighted by total prescription volume, mean weighted by medical assistance prescription volume, median, median weighted by total prescription volume, and median weighted by total medical assistance prescription volume. The commissioner shall post a copy of the final cost of dispensing survey report on the department's website. The initial survey must be completed no later than January 1, 2021, and repeated every three years. The commissioner shall provide a summary of the results of each cost of dispensing survey and provide recommendations for any changes to the dispensing fee to the chairs and ranking minority members of the legislative committees with jurisdiction over medical assistance pharmacy reimbursement. Notwithstanding section 256.01, subdivision 42, this paragraph does not expire.

~~(d)~~ ~~(h)~~ (h) The commissioner shall increase the ingredient cost reimbursement calculated in paragraphs (a), (d), and ~~(f)~~ (e) by ~~1.8 percent~~ the amount of the wholesale drug distributor tax under section 295.52 for prescription and nonprescription drugs subject to the ~~wholesale drug distributor tax under section 295.52~~.

(i) The commissioner shall contract with a vendor to create the MNAAC through a periodic survey of enrolled pharmacy providers. The initial MNAAC must be completed by January 1, 2027. Each pharmacy enrolled with the department to dispense outpatient prescription drugs must respond to the periodic surveys. The commissioner may sanction a pharmacy under section 256B.064 for failure to respond. The commissioner must exclude drug purchases under the federal 340B Drug Pricing Program and Federal Supply Schedule invoices from any measure and calculation of the MNAAC. The current MNAAC rates must be publicly available on the department's or vendor's website. The commissioner must require that the MNAAC is measured and calculated at least quarterly. The commissioner must ensure that the vendor has an appeal process available to providers for the time between the measurement and calculation of the periodically updated MNAAC rates if price fluctuations result in a MNAAC that is lower than the price at which enrolled providers can purchase a drug. Establishment of the MNAAC and survey reporting requirements are not subject to the requirements of the Administrative Procedure Act. Data provided by pharmacies for the measurement and calculation of the MNAAC are nonpublic data as defined in section 13.02, subdivision 9.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later. The commissioner of human services must notify the revisor of statutes when federal approval is obtained.

Sec. 6. Minnesota Statutes 2024, section 256B.064, subdivision 1a, as amended by Laws 2025, chapter 38, article 5, section 28, is amended to read:

Subd. 1a. **Grounds for sanctions.** (a) The commissioner may impose sanctions against any individual or entity that receives payments from medical assistance or provides goods or services for which payment is made from medical assistance for any of the following:

(1) fraud, theft, or abuse in connection with the provision of goods and services to recipients of public assistance for which payment is made from medical assistance;

(2) a pattern of presentment of false or duplicate claims or claims for services not medically necessary;

(3) a pattern of making false statements of material facts for the purpose of obtaining greater compensation than that to which the individual or entity is legally entitled;

(4) suspension or termination as a Medicare vendor;

(5) refusal to grant the state agency access during regular business hours to examine all records necessary to disclose the extent of services provided to program recipients and appropriateness of claims for payment;

(6) failure to repay an overpayment or a fine finally established under this section;

(7) failure to correct errors in the maintenance of health service or financial records for which a fine was imposed or after issuance of a warning by the commissioner; and

(8) any reason for which an individual or entity could be excluded from participation in the Medicare program under section 1128, 1128A, or 1866(b)(2) of the Social Security Act.

(b) For the purposes of this section, goods or services for which payment is made from medical assistance includes but is not limited to care and services identified in section 256B.0625 or provided pursuant to any federally approved waiver.

(c) Regardless of the source of payment or other item of value, the commissioner may impose sanctions against any individual or entity that solicits, receives, pays, or offers to pay any illegal remuneration as described in section 142E.51, subdivision 6a, in violation of section 609.542, subdivision 2, or in violation of United States Code, title 42, section 1320a-7b(b)(1) or (2). No conviction is required before the commissioner can impose sanctions under this paragraph.

(d) The commissioner may impose sanctions against a pharmacy provider for failure to respond to a cost of dispensing survey under section 256B.0625, subdivision 13e, paragraph ~~(h)~~ (g).

(e) The commissioner may impose sanctions against a pharmacy provider for failure to respond to a Minnesota drug acquisition cost survey under section 256B.0625, subdivision 13e, paragraph (i).

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later. The commissioner of human services must notify the revisor of statutes when federal approval is obtained.

Sec. 7. Minnesota Statutes 2024, section 256B.69, subdivision 6d, is amended to read:

Subd. 6d. **Prescription drugs.** (a) The commissioner may exclude or modify coverage for prescription drugs from the prepaid managed care contracts entered into under this section in order to increase savings to the state by collecting additional prescription drug rebates.

(b) The contracts must maintain incentives for the managed care plan to manage drug costs and utilization and may require that the managed care plans maintain an open drug formulary. In order to manage drug costs and utilization, the contracts may authorize the managed care plans to use preferred drug lists and prior authorization. The contracts must require that the managed care plans enter into contracts with the state's selected pharmacy benefit manager vendor to administer the pharmacy benefit.

(c) This subdivision is contingent on federal approval of the managed care contract changes and the collection of additional prescription drug rebates.

Sec. 8. Minnesota Statutes 2024, section 256B.69, is amended by adding a subdivision to read:

Subd. 6i. **Directed pharmacy dispensing payment.** (a) The commissioner shall provide a directed pharmacy dispensing payment of \$4.50 per filled prescription to eligible outpatient retail pharmacies in Minnesota to improve and maintain access to pharmaceutical services in rural and underserved areas of Minnesota. Managed care and county-based purchasing plans delivering services under section 256B.69 or 256B.692, and any pharmacy benefit managers under contract with these entities, must pay the directed pharmacy dispensing payment to eligible outpatient retail pharmacies for drugs dispensed to medical assistance enrollees. The directed pharmacy dispensing payment is in addition to, and must not supplant or reduce, any other dispensing fee paid by these entities to the pharmacy. Entities paying the directed pharmacy dispensing payment must not reduce other payments to the pharmacy as a result of payment of the directed pharmacy dispensing payment.

(b) For purposes of this subdivision, "eligible outpatient retail pharmacy" means an outpatient retail pharmacy licensed under chapter 151 that is not owned, either directly or indirectly or through an affiliate

or subsidiary, by a pharmacy benefit manager licensed under chapter 62W or a health carrier, as defined in section 62A.011, subdivision 2, and that:

(1) is located in a medically underserved area or primarily serves a medically underserved population, as defined by the United States Department of Health and Human Services Health Resources and Services Administration under United States Code, title 42, section 254; or

(2) shares common ownership with 13 or fewer Minnesota pharmacies.

(c) In order to receive the directed pharmacy dispensing payment, a pharmacy must submit to the commissioner a form, developed by the commissioner, attesting that the pharmacy meets the requirements of paragraph (b).

(d) Managed care and county-based purchasing plans, and any pharmacy benefit managers under contract with these entities, shall pay the directed pharmacy dispensing payment to eligible outpatient retail pharmacies. The commissioner shall monitor the effect of this requirement on access to pharmaceutical services in rural and underserved areas of Minnesota. If, for any contract year, federal approval is not received for this subdivision, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect removal of this subdivision. Contracts between managed care plans and county-based purchasing plans, and any pharmacy benefit managers under contract with these entities, and providers to whom this subdivision applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this subdivision. This subdivision expires if federal approval is not received for this subdivision at any time.

(e) This subdivision expires on December 31, 2026.

EFFECTIVE DATE. This section is effective July 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 9. [256B.696] PRESCRIPTION DRUGS; STATE PHARMACY BENEFIT MANAGER.

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Managed care enrollees" means medical assistance and MinnesotaCare enrollees receiving coverage from managed care plans.

(c) "Managed care organizations" means health plan companies and county-based purchasing organizations providing coverage to medical assistance and MinnesotaCare enrollees under the managed care delivery system.

(d) "State pharmacy benefit manager" means the pharmacy benefit manager selected pursuant to the procurement process in subdivision 2.

Subd. 2. **Procurement process.** (a) The commissioner must, through a competitive procurement process in compliance with paragraph (b), select a state pharmacy benefit manager to comply with the requirements set forth in subdivision 3. The state pharmacy benefit manager selected under this subdivision must be a prepaid ambulatory health plan, as defined in Code of Federal Regulations, title 42, section 438.2.

(b) When selecting the state pharmacy benefit manager, the commissioner must:

(1) accept applications for entities seeking to become the state pharmacy benefit manager;

(2) establish eligibility criteria an entity must meet in order to become the state pharmacy benefit manager;
and

(3) enter into a master contract with a single pharmacy benefit manager.

(c) Applicants for the state pharmacy benefit manager must disclose to the commissioner the following during the procurement process:

(1) any activity, policy, practice, contract, or arrangement of the pharmacy benefit manager that may directly or indirectly present any conflict of interest with the pharmacy benefit manager's relationship with or obligation to the Department of Human Services or a managed care organization;

(2) all common ownership, members of a board of directors, managers, or other control of the pharmacy benefit manager or any of the pharmacy benefit manager's affiliated companies with:

(i) a managed care organization administering medical assistance or MinnesotaCare benefits in Minnesota or an affiliate of the managed care organization;

(ii) an entity that contracts on behalf of a pharmacy or any pharmacy services administration organization and its affiliates;

(iii) a drug wholesaler or distributor and its affiliates;

(vi) a third-party payer and its affiliates; or

(v) a pharmacy and its affiliates;

(3) any direct or indirect fees, charges, or any kind of assessments imposed by the pharmacy benefit manager on pharmacies licensed in the state with which the pharmacy benefit manager shares common ownership, management, or control, or that are owned, managed, or controlled by any of the pharmacy benefit manager's affiliated companies;

(4) any direct or indirect fees, charges, or any kind of assessments imposed by the pharmacy benefit manager on pharmacies licensed in the state; and

(5) any financial terms and arrangements between the pharmacy benefit manager and a prescription drug manufacturer or labeler, including formulary management, drug substitution programs, educational support claims processing, or data sales fees.

Subd. 3. **Contract requirements.** The master contract required under subdivision 2, paragraph (b), clause (3), must include provisions that prohibit the state pharmacy benefit manager from:

(1) requiring, enticing, or coercing an enrollee to obtain pharmacy services, including a prescription drug, from a pharmacy owned or otherwise affiliated with the state pharmacy benefit manager;

(2) communicating to an enrollee, in any manner, that the enrollee is required to obtain pharmacy services or have a prescription dispensed at, or pharmacy services provided by, a particular pharmacy owned or affiliated with the state pharmacy benefit manager if there are other nonaffiliated pharmacies that have the ability to dispense the medication or provide the services and are also in network;

(3) requiring an enrollee to obtain pharmacy services, including a prescription drug, exclusively through a mail order pharmacy;

(4) directly or indirectly retroactively denying or reducing a claim or aggregate of claims for pharmacy services, including prescription drugs, after adjudication of the claim or aggregation of claims; and

(5) paying a rate for pharmacy services, including the prescription drug, that is less than the sum of the following:

(i) the amount of the professional dispensing fee if it were determined pursuant to section 256B.0625, subdivision 13e; and

(ii) either:

(A) the lower of the national average drug acquisition cost or the Minnesota actual acquisition cost under section 256B.0625, subdivision 13e, paragraph (i);

(B) the maximum allowable cost, as described in section 62W.08, if the national average drug acquisition cost and the Minnesota actual acquisition cost are unreported; or

(C) the wholesale acquisition cost minus two percent at the time the drug is administered or dispensed if the costs of subitems (A) and (B) are unreported or unavailable.

Subd. 4. **Prescription drug coverage requirements.** (a) The state pharmacy benefit manager is responsible for processing all point of sale outpatient pharmacy claims under the managed care delivery system. Managed care and county-based purchasing plans must use the state pharmacy benefit manager pursuant to the terms of the master contract required under subdivision 2, paragraph (b), clause (3). The state pharmacy benefit manager selected is the exclusive pharmacy benefit manager used by managed care and county-based purchasing plans when providing coverage to enrollees. The commissioner may require the managed care and county-based purchasing plans and state pharmacy benefit manager to directly exchange data and files for members enrolled with the plans.

(b) The commissioner may require the state pharmacy benefit manager to modify utilization review limitations, requirements, and strategies imposed on prescription drug coverage.

(c) All payment arrangements between the Department of Human Services, managed care plans, county-based purchasing plans, and the state pharmacy benefit manager must comply with state and federal statutes, regulations adopted by the Centers for Medicare and Medicaid Services, and any other agreement between the department and the Centers for Medicare and Medicaid Services. The commissioner may change a payment arrangement to comply with this paragraph.

(d) The commissioner must administer and oversee this section to:

(1) ensure proper administration of prescription drug benefits for managed care enrollees; and

(2) increase the transparency of prescription drug prices and other information for the benefit of pharmacies.

Subd. 5. **Reporting requirements.** (a) The state pharmacy benefit manager must, on request from the commissioner, disclose to the commissioner all sources of payment the state pharmacy benefit manager receives for prescribed drugs, including drug rebates, discounts, credits, clawbacks, fees, grants, chargebacks, reimbursements, or other financial benefits or payments related to services provided for a managed care or county-based purchasing plan.

(b) Each managed care and county-based purchasing plan must disclose to the commissioner, in the format specified by the commissioner, the entity's administrative costs associated with providing pharmacy services under the managed care delivery system.

(c) The state pharmacy benefit manager must provide a written quarterly report to the commissioner containing the following information from the immediately preceding quarter:

(1) the prices the state pharmacy benefit manager negotiated for prescribed drugs under the managed care delivery system. The prices must include any rebates the state pharmacy benefit manager received from drug manufacturers;

(2) unredacted copies of contracts between the state pharmacy benefit manager and enrolled pharmacies;

(3) any rebate amounts the state pharmacy benefit manager passed on to individual pharmacies;

(4) any changes to the information previously disclosed in accordance with subdivision 2, paragraph (c); and

(5) any other information required by the commissioner.

(d) Data submitted pursuant to paragraph (c), clause (3), are nonpublic data, as defined in section 13.02, subdivision 9.

(e) The commissioner may request and collect additional information and clinical data from the state pharmacy benefit manager.

(f) At the time of contract execution, renewal, or modification, the commissioner must modify the reporting requirements under its managed care contracts as necessary to meet the requirements of this subdivision.

Subd. 6. **Commissioner's program authority.** (a) To accomplish the requirements of subdivision 4, paragraph (d), the commissioner, in consultation with the Formulary Committee established under section 256B.0625, subdivision 13c, has the authority to:

(1) adopt or develop a preferred drug list for managed care plans;

(2) at the commissioner's discretion, engage in price negotiations with prescription drug manufacturers, wholesalers, or group purchasing organizations in place of the state pharmacy benefit manager to obtain price discounts and rebates for prescription drugs for managed care enrollees; and

(3) develop and manage a drug formulary for managed care and county-based purchasing plans.

(b) The commissioner may contract with one or more entities to perform any of the functions described in paragraph (a).

Subd. 7. **Contracts with pharmacies.** (a) The commissioner may review contracts between the state pharmacy benefit manager and pharmacies for compliance with this section and the master contract required under subdivision 2, paragraph (b), clause (3). The commissioner may amend any term or condition of a contract that does not comply with this section or the master contract.

(b) A master contract and a contract between a state pharmacy benefit manager and a pharmacy are nonpublic data, as defined in section 13.02, subdivision 9.

Subd. 8. **Federal approval.** (a) The commissioner must seek any necessary federal approval to implement this section.

(b) The commissioner shall monitor the effect of state directed payments under this section on access to pharmaceutical services in rural and underserved areas of Minnesota. If, for any contract year, federal approval is not received for a state directed payment under this section, the commissioner must adjust payments made to the managed care entity for that contract year to reflect removal of the payment. Contracts between the state pharmacy benefit manager and providers to whom this section applies must allow recovery of payments from those providers if rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from state directed payments under this section. This paragraph expires if federal approval is not received for state directed payments under this section at any time.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later, except that subdivision 8 is effective the day following final enactment. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

ARTICLE 5

OFFICE OF EMERGENCY MEDICAL SERVICES

Section 1. Minnesota Statutes 2024, section 144E.35, is amended to read:

144E.35 REIMBURSEMENT TO AMBULANCE SERVICES FOR VOLUNTEER EDUCATION COSTS.

Subdivision 1. ~~Repayment for volunteer~~ Reimbursement for education costs; ambulance service eligibility. ~~A licensed ambulance service shall be reimbursed by the director for the necessary expense of the initial education of a volunteer ambulance attendant upon successful completion by the attendant of an EMT education course, or a continuing education course for EMT care, or both, which has been approved by the director, pursuant to section 144E.285 (a) Except as provided in subdivision 3, the director must reimburse all eligible Minnesota licensed ambulance services that apply for reimbursement under this section for the necessary expenses of initial EMR and EMT education and EMR and EMT continuing education for ambulance attendants who satisfy the criteria in subdivision 2. Reimbursement may include tuition, transportation, food, lodging, hourly payment for the time spent in the education course, and other necessary expenditures, except that in no instance shall a volunteer licensed ambulance attendant service be reimbursed more than \$900:~~

(1) \$1,200 for an ambulance attendant's successful completion of an initial EMT education course, and \$375;

(2) \$400 for an ambulance attendant's successful completion of a an EMT continuing education course;

(3) \$600 for an ambulance attendant's successful completion of an initial EMR education course; and

(4) \$200 for an ambulance attendant's successful completion of an EMR continuing education course.

(b) To be eligible for reimbursement, a licensed ambulance service must have responded to 5,000 or fewer calls in the most recent calendar year.

Subd. 2. **~~Reimbursement provisions~~ Ambulance attendant criteria.** Reimbursement must be paid under ~~provisions of this section~~ when documentation is provided to the director that the ~~individual ambulance attendant~~:

(1) successfully completed an initial EMR or EMT education course approved by the director under section 144E.285, a continuing education course for EMR or EMT care approved by the director under section 144E.285, or both; and

(2) has served for one year from the date of the final certification exam as an active member of a Minnesota licensed ambulance service.

Subd. 3. **Discontinuance of reimbursement.** If the state is unable to meet its financial obligations under subdivision 1 as the obligations become due, the director must discontinue reimbursing ambulance services for education costs until the state is again able to meet the financial obligations under subdivision 1 as the obligations become due. An ambulance service whose application is not approved due to lack of funding may resubmit the application in the next fiscal year.

Sec. 2. **[144E.55] RURAL EMS UNCOMPENSATED CARE POOL PAYMENT PROGRAM.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Eligible licensee" means a licensee that primarily provides ambulance services outside the metropolitan counties listed in section 473.121, subdivision 4.

(c) "Public safety answering point" has the meaning given in section 403.02, subdivision 19.

Subd. 2. **Payment program established.** The director must establish and administer a rural EMS uncompensated care pool payment program. Under the program, the director must make payments to eligible licensees according to this section.

Subd. 3. **Excluded responses.** The director must exclude EMS responses by specialized life support, as described in section 144E.101, subdivision 9, in calculating payments under this section.

Subd. 4. **Application process.** (a) An eligible licensee seeking a payment under this section must apply to the director each year by March 31, in the form and manner determined by the director. In the application, the eligible licensee must specify the number of the eligible licensee's EMS responses that meet the criteria in subdivision 5.

(b) When an eligible licensee, an eligible licensee's parent company, a subsidiary of an eligible licensee, or a subsidiary of an eligible licensee's parent company collectively hold multiple licenses, the director must treat all such related licensees as a single eligible licensee.

Subd. 5. **Eligible EMS responses.** In order for an EMS response to be an eligible EMS response for purposes of subdivision 6, the EMS response must meet the following criteria:

(1) the EMS response was initiated by a request for emergency medical services initially received by a public safety answering point;

(2) an ambulance responded to the scene;

(3) the ambulance was not canceled while en route to the scene;

(4) the ambulance did not transport a person from the scene to a hospital emergency department;

(5) the eligible licensee did not receive any payment for the EMS response from any source; and

(6) the EMS response was initiated between January 1 and December 31 of the year prior to the year the application is submitted.

Subd. 6. **Calculations.** (a) The director must calculate payments as provided in paragraphs (b) and (c) for an eligible licensee that completes an application under subdivision 4.

(b) The director must award points for eligible EMS responses as follows:

(1) for eligible EMS responses one to 25, an eligible licensee is awarded ten points per response;

(2) for eligible EMS responses 26 to 50, an eligible licensee is awarded five points per response;

(3) for eligible EMS responses 51 to 100, an eligible licensee is awarded three points per response;

(4) for eligible EMS responses 101 to 200, an eligible licensee is awarded one point per response; and

(5) for eligible EMS responses exceeding 200, an eligible licensee is awarded zero points.

(c) The director must total the number of all points awarded to all applying eligible licensees under paragraph (b). The director must divide the amount appropriated for purposes of this section by the total number of points awarded to determine a per-point amount. The payment for each eligible licensee shall be calculated by multiplying the eligible licensee's number of awarded points by the established per-point amount.

Subd. 7. **Payment.** The director must certify the payment amount for each eligible licensee and must make the full payment to each eligible licensee by May 30 each year.

Sec. 3. AMBULANCE SERVICE TRAINING AND STAFFING GRANT PROGRAM.

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Director" has the meaning given in Minnesota Statutes, section 144E.001, subdivision 16.

(c) "Emergency medical technician" has the meaning given in Minnesota Statutes, section 144E.001, subdivision 5c.

(d) "Employee" has the meaning given in Minnesota Statutes, section 181.960, subdivision 2.

Subd. 2. **Grant program.** The director must establish and administer a program to award grants to eligible ambulance services for certain costs to train ambulance service employees as emergency medical technicians and staff the ambulance service.

Subd. 3. **Eligible ambulance services.** To be eligible for a grant under this section, an ambulance service must:

(1) be licensed under Minnesota Statutes, chapter 144E; and

(2) in the calendar year prior to the year in which the ambulance service first applies for a grant under this section, have had at least 50 percent of its ambulance staffing provided by emergency medical technicians.

Subd. 4. **Application.** An eligible ambulance service seeking a grant under this section must apply to the director in a form and manner and according to a timeline specified by the director. In its application, the eligible ambulance service must specify the number of individuals it plans to hire using the grant money, the number of employee training hours it plans to fund using the grant money, and other information required by the director.

Subd. 5. **Allowable uses of grant money; maximum grant amount.** (a) An ambulance service must use grant money awarded under this section only for one or more of the following:

(1) tuition for employees attending an emergency medical technician (EMT) education program approved by the director;

(2) employee examination fees for EMT certification;

(3) fees for background studies for new EMT employees; and

(4) incurred wage and benefit costs of employees while attending an EMT education program or program-related activities. Wage and benefit costs under this clause must be commensurate with the wages and benefits the ambulance service provides to an entry-level EMT and must not exceed \$26 per hour.

(b) The grant amount awarded to an ambulance service must not exceed the amount needed for the costs in paragraph (a).

Subd. 6. **Grant program oversight.** An ambulance service receiving a grant under this section must provide the director with information necessary for the director to administer and evaluate the grant program.

Sec. 4. **AMBULANCE OPERATING DEFICIT GRANT PROGRAM.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Capital expenses" means expenses incurred by a licensee for the purchase, improvement, or maintenance of assets with an expected useful life of greater than five years that improve the efficiency of provided ambulance services or the capabilities of the licensee.

(c) "Director" has the meaning given in Minnesota Statutes, section 144E.001, subdivision 16.

(d) "Eligible applicant" or "eligible licensee" means any licensee who possessed a license not excluded under subdivision 3 or 4 in the last completed state fiscal year for which data was provided to the director, as provided in Minnesota Statutes, section 62J.49; who continues to operate that same nonexcluded license at the time of application; and who provides verifiable evidence of an operating deficit in the state fiscal year prior to submitting an application.

(e) "Government licensee" means any government entity, as defined in Minnesota Statutes, section 118A.01, subdivision 2, including a Tribe, that is a licensee.

(f) "Insurance revenue" means revenue from Medicare, medical assistance, private health insurance, third-party liability insurance, and payments from individuals.

(g) "Licensee" has the meaning given in Minnesota Statutes, section 144E.001, subdivision 8.

(h) "Operating deficit" means the sum of insurance revenue and other revenue is less than the sum of operational expenses and capital expenses.

(i) "Operational expenses" means costs related to the day-to-day operations of an ambulance service, including but not limited to costs related to personnel, supplies and equipment, fuel, vehicle maintenance, travel, education, and fundraising.

(j) "Other revenue" means revenue from any revenue that is not insurance revenue, including but not limited to grants, tax revenue, donations, fundraisers, or standby fees. Grants awarded under this section and aid paid under Laws 2024, chapter 122, article 4, section 1, must not be considered revenue.

Subd. 2. **Program establishment.** An ambulance operating deficit grant program is established to award grants to applicants to address revenue shortfalls creating operating deficits among eligible applicants.

Subd. 3. **Licensee providing specialized life support services excluded.** Licensees providing specialized life support services as described in Minnesota Statutes, section 144E.101, subdivision 9, are not eligible for grants under this section.

Subd. 4. **Other licensees excluded.** Licensees whose individual primary service areas are located mostly within a metropolitan county listed in Minnesota Statutes, section 473.121, subdivision 4, or within the cities of Duluth, Mankato, St. Cloud, or Rochester are not eligible for grants under this section.

Subd. 5. **Application process.** (a) An eligible licensee may apply to the director, in the form and manner determined by the director, for a grant under this section.

(b) A grant application made by a government licensee must be accompanied by a resolution of support from the governing body.

Subd. 6. **Director calculations.** The director shall award grants only to applicants who provide verifiable evidence of an operating deficit in the last completed state fiscal year for which data were provided to the director. The director may audit the financial data provided to the director by applicants, as provided in Minnesota Statutes, section 62J.49. A grant awarded must not be more than five percent more than any previous grant without special permission from the director.

Subd. 7. **Grant awards; limitations.** (a) Grants awarded under this section to eligible applicants may be proportionally distributed based on money available. Total amounts awarded must not exceed the amount appropriated for purposes of this section.

(b) The director shall award grants in fiscal year 2026 and fiscal year 2027.

(c) The director must not award individual grants that exceed the amount of the grantee's most recent verified operating deficit as reported to the director.

Subd. 8. **Eligible expenditures.** A grantee must spend grant money received under this section on operational expenses and capital expenses incurred to provide ambulance services.

Subd. 9. **Report.** By February 15, 2026, and February 15, 2027, the director must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health finance and policy. The report must describe the number and amount of grants awarded under this section and the uses made of grant money by grantees.

ARTICLE 6**HEALTH POLICY**

Section 1. Minnesota Statutes 2024, section 144.98, subdivision 8, is amended to read:

Subd. 8. **Exemption from national standards for quality control and personnel requirements.** ~~Effective January 1, 2012,~~ A laboratory that analyzes samples for compliance with a permit issued under section 115.03, subdivision 5, may request exemption from the personnel requirements and specific quality control provisions for microbiology and chemistry stated in the national standards as incorporated by reference in subdivision 2a. The commissioner shall grant the exemption if the laboratory:

(1) complies with the methodology and quality control requirements, where available, in the most recent, approved edition of the Standard Methods for the Examination of Water and Wastewater as published by the Water Environment Federation; and

(2) supplies the name of the person meeting the requirements in section 115.73, or the personnel requirements in the national standard pursuant to subdivision 2a.

A laboratory applying for this exemption shall not apply for simultaneous accreditation under the national standard.

Sec. 2. Minnesota Statutes 2024, section 144.98, subdivision 9, is amended to read:

Subd. 9. **Exemption from national standards for proficiency testing frequency.** (a) ~~Effective January 1, 2012,~~ A laboratory applying for or requesting accreditation under the exemption in subdivision 8 must obtain an acceptable proficiency test result for each of the laboratory's accredited or requested fields of testing. The laboratory must analyze proficiency samples selected from one of two annual proficiency testing studies scheduled by the commissioner.

(b) If a laboratory fails to successfully complete the first scheduled proficiency study, the laboratory shall:

(1) obtain and analyze a supplemental test sample within 15 days of receiving the test report for the initial failed attempt; and

(2) participate in the second annual study as scheduled by the commissioner.

(c) If a laboratory does not submit results or fails two consecutive proficiency samples, the commissioner will revoke the laboratory's accreditation for the affected fields of testing.

(d) The commissioner may require a laboratory to analyze additional proficiency testing samples beyond what is required in this subdivision if information available to the commissioner indicates that the laboratory's analysis for the field of testing does not meet the requirements for accreditation.

(e) The commissioner may collect from laboratories accredited under the exemption in subdivision 8 any additional costs required to administer this subdivision and subdivision 8.

Sec. 3. Minnesota Statutes 2024, section 145.901, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** Within the limits of available funding, the commissioner of health ~~may~~ must conduct maternal death studies to assist the planning, implementation, and evaluation of medical, health, and welfare service systems and to reduce the numbers of preventable maternal deaths in Minnesota.

Sec. 4. Minnesota Statutes 2024, section 147A.02, is amended to read:

147A.02 QUALIFICATIONS FOR LICENSURE.

(a) The board may grant a license as a physician assistant to an applicant who:

(1) submits an application on forms approved by the board;

(2) pays the appropriate fee as determined by the board;

(3) has current certification from the National Commission on Certification of Physician Assistants, or its successor agency as approved by the board;

(4) certifies that the applicant is mentally and physically able to engage safely in practice as a physician assistant;

(5) has no licensure, certification, or registration as a physician assistant under current discipline, revocation, suspension, or probation for cause resulting from the applicant's practice as a physician assistant, unless the board considers the condition and agrees to licensure;

(6) submits any other information the board deems necessary to evaluate the applicant's qualifications; and

(7) has been approved by the board.

(b) All persons registered as physician assistants as of June 30, 1995, are eligible for continuing license renewal. All persons applying for licensure after that date shall be licensed according to this chapter.

(c) A physician assistant who qualifies for licensure must practice for at least 2,080 hours, within the context of a collaborative agreement, within a hospital or integrated clinical setting where physician assistants and physicians work together to provide patient care. The physician assistant shall submit written evidence to the board with the application, or upon completion of the required collaborative practice experience. For purposes of this paragraph, a collaborative agreement is a mutually agreed upon plan for the overall working relationship ~~and collaborative arrangement~~ between a physician assistant; and one or more physicians licensed under chapter 147 or licensed in another state or United States territory, that designates the scope of ~~services that can be provided~~ collaboration necessary to manage the care of patients. The physician assistant and one of the collaborative physicians must have experience in providing care to patients with the same or similar medical conditions. The collaborating physician is not required to be physically present so long as the collaborating physician and physician assistant are or can be easily in contact with each other by radio, telephone, or other telecommunication device.

Sec. 5. Minnesota Statutes 2024, section 148.56, subdivision 1, is amended to read:

Subdivision 1. **Optometry defined.** (a) Any person shall be deemed to be practicing optometry within the meaning of sections 148.52 to 148.62 who shall in any way:

(1) advertise as an optometrist;

(2) employ any means, including the use of autorefractors or other automated testing devices, for the measurement of the powers of vision or the adaptation of lenses or prisms for the aid thereof;

(3) possess testing appliances for the purpose of the measurement of the powers of vision;

(4) diagnose any disease, optical deficiency or deformity, or visual or muscular anomaly of the visual system consisting of the human eye and its accessory or subordinate anatomical parts;

(5) prescribe lenses, including plano or cosmetic contact lenses, or prisms for the correction or the relief of same;

(6) employ or prescribe ocular exercises, orthoptics, or habilitative and rehabilitative therapeutic vision care; or

(7) prescribe or administer legend drugs to aid in the diagnosis, cure, mitigation, prevention, treatment, or management of disease, deficiency, deformity, or abnormality of the human eye and adnexa included in the curricula of accredited schools or colleges of optometry, and as limited by Minnesota statute and adopted rules by the Board of Optometry, or who holds oneself out as being able to do so.

(b) In the course of treatment, nothing in this section shall allow:

(1) legend drugs to be administered intravenously, ~~intramuscularly, or by injection, except for treatment of anaphylaxis; by intraocular or sub-Tenon injection; by injection posterior to the orbital septum; or by intramuscular injection, except as permitted under paragraph (d);~~

(2) invasive surgery including, but not limited to, surgery using lasers;

(3) Schedule II and III oral legend drugs ~~and oral steroids~~ to be administered or prescribed; or

(4) ~~oral antivirals to be prescribed or administered for more than ten days; or~~ steroids to be administered or prescribed for more than 14 days without consultation with a physician.

~~(5) oral carbonic anhydrase inhibitors to be prescribed or administered for more than seven days.~~

(c) Nothing in this section shall allow anesthetics to be administered by injection, except that an optometrist may administer local anesthesia by injection:

(1) for excision of chalazia, except that recurrent chalazia must be referred to a physician; and

(2) for excision of a single epidermal lesion that: (i) is without characteristics of malignancy; (ii) is no larger than five millimeters in size; (iii) is no deeper than the dermal layer of the skin; and (iv) is not a lesion involving the eyelid margin.

(d) An optometrist may inject Botulinum toxin, limited to the periocular muscles of facial expression innervated by the first two branches of the facial nerve, including for cosmetic purposes.

Sec. 6. Minnesota Statutes 2024, section 148.56, is amended by adding a subdivision to read:

Subd. 1a. **Injections.** In order to perform injections permitted under subdivision 1, an optometrist must receive approval from the board after demonstrating to the board that the optometrist has sufficient educational or clinical training to perform injections. This subdivision does not apply to injections for treatment of anaphylaxis.

ARTICLE 7

MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY

Section 1. Minnesota Statutes 2024, section 3.732, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section and section 3.736 the terms defined in this section have the meanings given them.

(1) "State" includes each of the departments, boards, agencies, commissions, courts, and officers in the executive, legislative, and judicial branches of the state of Minnesota and includes but is not limited to the Housing Finance Agency, the Minnesota Office of Higher Education, the ~~Higher~~ Health and Education Facilities Authority, the Health Technology Advisory Committee, the Armory Building Commission, the Zoological Board, the Department of Iron Range Resources and Rehabilitation, the Minnesota Historical Society, the State Agricultural Society, the University of Minnesota, the Minnesota State Colleges and Universities, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) "Employee of the state" means all present or former officers, members, directors, or employees of the state, members of the Minnesota National Guard, members of a bomb disposal unit approved by the commissioner of public safety and employed by a municipality defined in section 466.01 when engaged in the disposal or neutralization of bombs or other similar hazardous explosives, as defined in section 299C.063, outside the jurisdiction of the municipality but within the state, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation. It does not include either an independent contractor except, for purposes of this section and section 3.736 only, a guardian ad litem acting under court appointment, or members of the Minnesota National Guard while engaged in training or duty under United States Code, title 10, or title 32, section 316, 502, 503, 504, or 505, as amended through December 31, 1983. Notwithstanding sections 43A.02 and 611.263, for purposes of this section and section 3.736 only, "employee of the state" includes a district public defender or assistant district public defender in the Second or Fourth Judicial District, a member of the Health Technology Advisory Committee, and any officer, agent, or employee of the state of Wisconsin performing work for the state of Minnesota pursuant to a joint state initiative.

(3) "Scope of office or employment" means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned by competent authority.

(4) "Judicial branch" has the meaning given in section 43A.02, subdivision 25.

Sec. 2. Minnesota Statutes 2024, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **Public official.** "Public official" means any:

(1) member of the legislature;

(2) individual employed by the legislature as secretary of the senate, legislative auditor, director of the Legislative Budget Office, chief clerk of the house of representatives, revisor of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of Senate Counsel, Research and Fiscal Analysis, House Research, or the House Fiscal Analysis Department;

(3) constitutional officer in the executive branch and the officer's chief administrative deputy;

(4) solicitor general or deputy, assistant, or special assistant attorney general;

(5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;

(6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

(7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

(8) executive director of the State Board of Investment;

(9) deputy of any official listed in clauses (7) and (8);

(10) judge of the Workers' Compensation Court of Appeals;

(11) administrative law judge or compensation judge in the State Office of Administrative Hearings or unemployment law judge in the Department of Employment and Economic Development;

(12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;

(13) member or chief administrator of a metropolitan agency;

(14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;

(15) member or executive director of the ~~Higher~~ Health and Education Facilities Authority;

(16) member of the board of directors or president of Enterprise Minnesota, Inc.;

(17) member of the board of directors or executive director of the Minnesota State High School League;

(18) member of the Minnesota Ballpark Authority established in section 473.755;

(19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

(20) manager of a watershed district, or member of a watershed management organization as defined under section 103B.205, subdivision 13;

(21) supervisor of a soil and water conservation district;

(22) director of Explore Minnesota Tourism;

(23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section 97A.056;

(24) citizen member of the Clean Water Council established in section 114D.30;

(25) member or chief executive of the Minnesota Sports Facilities Authority established in section 473J.07;

(26) district court judge, appeals court judge, or supreme court justice;

(27) county commissioner;

(28) member of the Greater Minnesota Regional Parks and Trails Commission;

(29) member of the Destination Medical Center Corporation established in section 469.41; or

(30) chancellor or member of the Board of Trustees of the Minnesota State Colleges and Universities.

Sec. 3. Minnesota Statutes 2024, section 136A.25, is amended to read:

136A.25 CREATION.

A state agency known as the Minnesota ~~Higher~~ Health and Education Facilities Authority is hereby created.

Sec. 4. Minnesota Statutes 2024, section 136A.26, is amended to read:

136A.26 MEMBERSHIPS; OFFICERS; COMPENSATION; REMOVAL.

Subdivision 1. **Membership.** The Minnesota ~~Higher~~ Health and Education Facilities Authority shall consist of ~~eight~~ nine members appointed by the governor with the advice and consent of the senate, and a representative of the Office of Higher Education.

All members to be appointed by the governor shall be residents of the state. At least two members must reside outside the metropolitan area as defined in section 473.121, subdivision 2. At least one of the members shall be a person having a favorable reputation for skill, knowledge, and experience in the field of state and municipal finance; ~~and at least one of the members shall be a person having a favorable reputation for skill, knowledge, and experience in the building construction field; and at least one of the members shall be a trustee, director, officer, or employee of an institution of higher education; and at least one of the members shall be a trustee, director, officer, or employee of a health care organization.~~

Subd. 1a. **Private College Council member.** The president of the Minnesota Private College Council, or the president's designee, shall serve without compensation as an advisory, nonvoting member of the authority.

Subd. 1b. **Nonprofit health care association member.** The chief executive officer of a Minnesota nonprofit health care association whose members are primarily nonprofit health care organizations, or the chief executive officer's designee, shall serve without compensation as an advisory, nonvoting member of the authority. The identity of the Minnesota nonprofit health care association shall be determined and may be changed from time to time by the members of the authority in accordance with and as provided in the bylaws of the authority.

Subd. 2. **Term; compensation; removal.** The membership terms, compensation, removal of members, and filling of vacancies for authority members other than the representative of the office, ~~and the president of the Private College Council, and the nonprofit health care association member~~ shall be as provided in section 15.0575.

Sec. 5. Minnesota Statutes 2024, section 136A.27, is amended to read:

136A.27 POLICY.

It is hereby declared that for the benefit of the people of the state, the increase of their commerce, welfare and prosperity and the improvement of their health and living conditions it is essential that health care organizations in Minnesota be provided with appropriate additional means to establish, acquire, construct, improve, and expand health care facilities in furtherance of their purposes; that this and future generations of youth be given the fullest opportunity to learn and to develop their intellectual and mental capacities; that ~~it is essential~~ that institutions of higher education within the state be provided with appropriate additional means to assist ~~such~~ youth in achieving the required levels of learning and development of their intellectual

and mental capacities; and that health care organizations and institutions of higher education be enabled to refinance outstanding indebtedness incurred to provide existing facilities used for such those purposes in order to preserve and enhance the utilization of facilities for purposes of health care and higher education, to extend or adjust maturities in relation to the resources available for their payment, and to save interest costs and thereby reduce health care costs or higher education tuition, fees, and charges; and. It is hereby further declared that it is the purpose of sections 136A.25 to 136A.42 to provide a measure of assistance and an alternative method to enable health care organizations and institutions of higher education in the state to provide the facilities and structures which are sorely needed to accomplish the purposes of sections 136A.25 to 136A.42, all to the public benefit and good, to the extent and manner provided herein.

Sec. 6. Minnesota Statutes 2024, section 136A.28, is amended to read:

136A.28 DEFINITIONS.

Subdivision 1. **Scope.** In sections 136A.25 to 136A.42, the following words and terms shall, unless the context otherwise requires, have the meanings ascribed to them.

Subd. 1a. **Affiliate.** "Affiliate" means an entity that directly or indirectly controls, is controlled by, or is under common control with another entity. For purposes of this subdivision, "control" means either the power to elect a majority of the members of the governing body of an entity or the power, whether by contract or otherwise, to direct the management and policies of the entity. Affiliate also means an entity whose business or substantially all of whose property is operated under a lease, management agreement, or operating agreement by another entity, or an entity who operates the business or substantially all of the property of another entity under a lease, management agreement, or operating agreement.

Subd. 2. **Authority.** "Authority" means the Higher Health and Education Facilities Authority created by sections 136A.25 to 136A.42.

Subd. 3. **Project.** "Project" means a structure or structures available for use as a dormitory or other student housing facility, a dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, health care facility, child care facility, and maintenance, storage, or utility facility and other structures or facilities related thereto or required or useful for the instruction of students or the conducting of research or the operation of an institution of higher education, whether proposed, under construction, or completed, including parking and other facilities or structures essential or convenient for the orderly conduct of such institution for higher education, and shall also include landscaping, site preparation, furniture, equipment and machinery, and other similar items necessary or convenient for the operation of a particular facility or structure in the manner for which its use is intended but shall not include such items as books, fuel, supplies, or other items the costs of which are customarily deemed to result in a current operating charge, and shall a health care facility or an education facility whether proposed, under construction, or completed, and includes land or interests in land, appurtenances, site preparation, landscaping, buildings and structures, systems, fixtures, furniture, machinery, equipment, and parking. Project also includes other structures, facilities, improvements, machinery, equipment, and means of transport of a capital nature that are necessary or convenient for the operation of the facility. Project does not include: (1) any facility used or to be used for sectarian instruction or as a place of religious worship nor; (2) any facility which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination; or (3) any books, supplies, medicine, medical supplies, fuel, or other items, the cost of which are customarily deemed to result in a current operating charge.

Subd. 4. **Cost.** "Cost," as applied to a project or any portion thereof financed under the provisions of sections 136A.25 to 136A.42, means all or any part of the cost of construction, acquisition, alteration, enlargement, reconstruction and remodeling of a project including all lands, structures, real or personal property, rights, rights-of-way, franchises, easements and interests acquired or used for or in connection with a project, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which ~~such~~ the buildings or structures may be moved, the cost of all machinery and equipment, financing charges, interest prior to, during and for a period after completion of ~~such~~ construction and acquisition, provisions for reserves for principal and interest and for extensions, enlargements, additions and improvements, the cost of architectural, engineering, financial and legal services, plans, specifications, studies, surveys, estimates of cost and of revenues, administrative expenses, expenses necessary or incident to determining the feasibility or practicability of constructing the project and ~~such~~ other expenses as may be necessary or incident to the construction and acquisition of the project, the financing of ~~such~~ construction and acquisition and the placing of the project in operation.

Subd. 5. **Bonds.** "Bonds," or "revenue bonds" means revenue bonds of the authority issued under the provisions of sections 136A.25 to 136A.42, including revenue refunding bonds, notwithstanding that the same may be secured by mortgage or the full faith and credit of a participating institution for higher education or any other lawfully pledged security of a participating institution for higher education.

Subd. 6. **Institution of higher education.** "Institution of higher education" means a nonprofit educational institution within the state authorized to provide a program of education beyond the high school level.

Subd. 6a. **Health care organization.** (a) "Health care organization" means a nonprofit organization located within the state and authorized by law to operate a nonprofit health care facility in the state. Health care organization also means a nonprofit affiliate of a health care organization as defined under this paragraph, provided the affiliate is located within the state or within a state that is geographically contiguous to Minnesota.

(b) Health care organization also means a nonprofit organization located in another state that is geographically contiguous to Minnesota and authorized by law to operate a nonprofit health care facility in that state, provided that the nonprofit organization located in the contiguous state is an affiliate of a health care organization located in Minnesota.

Subd. 6b. **Education facility.** "Education facility" means a structure or structures available for use as a dormitory or other student housing facility, dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, student health care facility, or child care facility, and includes other facilities or structures related to the essential or convenient orderly conduct of an institution of higher education.

Subd. 6c. **Health care facility.** (a) "Health care facility" means a structure or structures available for use in Minnesota as a hospital, clinic, psychiatric residential treatment facility, birth center, outpatient surgical center, comprehensive outpatient rehabilitation facility, outpatient physical therapy or speech pathology facility, end-stage renal dialysis facility, medical laboratory, pharmacy, radiation therapy facility, diagnostic imaging facility, medical office building, residence for nurses or interns, nursing home, boarding care home, assisted living facility, residential hospice, intermediate care facility for persons with developmental disabilities, supervised living facility, board and lodging establishment with special services, adult day care center, day services facility, prescribed pediatric extended care facility, community residential setting, adult foster home, or other facility related to medical or health care research, or the delivery or administration of health care services and includes other structures or facilities related to the essential or convenient orderly conduct of a health care organization.

(b) Health care facility also means a facility in a state that is geographically contiguous to Minnesota operated by a health care organization that corresponds by purpose, function, or use with a facility listed in paragraph (a).

Subd. 7. **Participating institution of higher education.** ~~"Participating institution of higher education"~~ means a health care organization or an institution of higher education that, under the provisions of sections 136A.25 to 136A.42, undertakes the financing and construction or acquisition of a project or undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided in sections 136A.25 to 136A.42. Community colleges and technical colleges may be considered participating institutions of higher education for the purpose of financing and constructing child care facilities and parking facilities.

Sec. 7. Minnesota Statutes 2024, section 136A.29, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** The purpose of the authority shall be to assist health care organizations and institutions of higher education in the construction, financing, and refinancing of projects. The exercise by the authority of the powers conferred by sections 136A.25 to 136A.42, shall be deemed and held to be the performance of an essential public function. For the purpose of sections 136A.25 to 136A.42, the authority shall have the powers and duties set forth in subdivisions 2 to 23.

Sec. 8. Minnesota Statutes 2024, section 136A.29, subdivision 3, is amended to read:

Subd. 3. **Employees; office space.** The authority is authorized and empowered to appoint and employ employees as it may deem necessary to carry out its duties, determine the title of the employees so employed, and fix the salary of said its employees. ~~Employees of the authority shall participate in retirement and other benefits in the same manner that employees in the unclassified service of the office participate.~~ The authority may maintain an office space as it may designate.

Sec. 9. Minnesota Statutes 2024, section 136A.29, subdivision 6, is amended to read:

Subd. 6. **Projects; generally.** (a) The authority is authorized and empowered to determine the location and character of any project to be financed under the provisions of sections 136A.25 to 136A.42, and to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, to enter into contracts for any or all of such these purposes, to enter into contracts for the management and operation of a project, and to designate a participating institution of higher education as its agent to determine the location and character of a project undertaken by such a participating institution of higher education under the provisions of sections 136A.25 to 136A.42 and as the agent of the authority, to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, and as the agent of the authority, to enter into contracts for any or all of such these purposes, including contracts for the management and operation of such the project.

(b) Notwithstanding paragraph (a), a project involving a health care facility in Minnesota financed under sections 136A.25 to 136A.42 must comply with all applicable requirements in state law related to authorizing construction of or modifications to a health care facility, including the requirements in sections 144.5509, 144.551, 144A.071, and 252.291.

(c) Contracts of the authority or of a participating institution of higher education to acquire or to construct, reconstruct, remodel, maintain, enlarge, alter, add to, or repair projects shall not be subject to the provisions of chapter 16C or section 574.26, or any other public contract or competitive bid law.

Sec. 10. Minnesota Statutes 2024, section 136A.29, subdivision 9, is amended to read:

Subd. 9. **Revenue bonds; limit.** (a) The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed ~~\$2,000,000,000~~ \$5,000,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

(b) Of the \$5,000,000,000 limit in paragraph (a), the aggregate principal amount used to fund education facilities may not exceed \$2,250,000,000 at any time and the aggregate principal amount used to fund health care facilities may not exceed \$2,750,000,000 at any time.

Sec. 11. Minnesota Statutes 2024, section 136A.29, subdivision 10, is amended to read:

Subd. 10. **Revenue bonds; issuance, purpose, conditions.** The authority is authorized and empowered to issue revenue bonds to acquire projects from or to make loans to participating institutions ~~of higher education~~ and thereby refinance outstanding indebtedness incurred by participating institutions ~~of higher education~~ to provide funds for the acquisition, construction or improvement of a facility before or after the enactment of sections 136A.25 to 136A.42, but otherwise eligible to be and being a project thereunder, whenever the authority finds that ~~such~~ the refinancing will enhance or preserve ~~such~~ the participating institutions and ~~such~~ the facilities or utilization ~~thereof~~ that is for health care or educational purposes or extend or adjust maturities to correspond to the resources available for their payment, or reduce charges or fees imposed on patients or occupants, or the tuition, charges, or fees imposed on students for the use or occupancy of the facilities of ~~such the participating institutions of higher education~~ or costs met by federal or state public funds, or enhance or preserve health care or educational programs and research or the acquisition or improvement of other facilities eligible to be a project or part thereof by the participating institution ~~of higher education~~. The amount of revenue bonds to be issued to refinance outstanding indebtedness of a participating institution ~~of higher education~~ shall not exceed the lesser of (a) the fair value of the project to be acquired by the authority from the institution or mortgaged to the authority by the institution or (b) the amount of the outstanding indebtedness including any premium thereon and any interest accrued or to accrue to the date of redemption and any legal, fiscal and related costs in connection with ~~such~~ the refinancing and reasonable reserves, as determined by the authority. The provisions of this subdivision do not prohibit the authority from issuing revenue bonds within and charged against the limitations provided in subdivision 9 to provide funds for improvements, alteration, renovation, or extension of the project refinanced.

Sec. 12. Minnesota Statutes 2024, section 136A.29, subdivision 14, is amended to read:

Subd. 14. **Rules for use of projects.** The authority is authorized and empowered to establish rules for the use of a project or any portion thereof and to designate a participating institution ~~of higher education~~ as its agent to establish rules for the use of a project undertaken for ~~such~~ a participating institution ~~of higher education~~.

Sec. 13. Minnesota Statutes 2024, section 136A.29, subdivision 19, is amended to read:

Subd. 19. **Surety.** Before the issuance of any revenue bonds under the provisions of sections 136A.25 to 136A.42, any member or officer of the authority authorized by resolution of the authority to handle funds or sign checks of the authority shall be covered under a surety or fidelity bond in an amount to be determined by the authority. Each ~~such~~ bond shall be conditioned upon the faithful performance of the duties of the

office of the member or officer; and shall be executed by a surety company authorized to transact business in the state of Minnesota as surety. The cost of each ~~such~~ bond shall be paid by the authority.

Sec. 14. Minnesota Statutes 2024, section 136A.29, subdivision 20, is amended to read:

Subd. 20. **Sale, lease, and disposal of property.** The authority is authorized and empowered to sell, lease, release, or otherwise dispose of real and personal property or interests therein, or a combination thereof, acquired by the authority under authority of sections 136A.25 to 136A.42 and no longer needed for the purposes of ~~such this~~ chapter or of the authority, and grant ~~such~~ easements and other rights in, over, under, or across a project as will not interfere with its use of ~~such the~~ property. ~~Such~~ The sale, lease, release, disposition, or grant may be made without competitive bidding and in ~~such the~~ manner and for such consideration as the authority in its judgment deems appropriate.

Sec. 15. Minnesota Statutes 2024, section 136A.29, subdivision 21, is amended to read:

Subd. 21. **Loans.** The authority is authorized and empowered to make loans to any participating institution ~~of higher education~~ for the cost of a project in accordance with an agreement between the authority and the participating institution ~~of higher education~~; provided that no ~~such~~ loan shall exceed the total cost of the project as determined by the participating institution ~~of higher education~~ and approved by the authority.

Sec. 16. Minnesota Statutes 2024, section 136A.29, subdivision 22, is amended to read:

Subd. 22. **Costs, expenses, and other charges.** The authority is authorized and empowered to charge to and apportion among participating institutions ~~of higher education~~ its administrative costs and expenses incurred in the exercise of the powers and duties conferred by sections 136A.25 to 136A.42 in the manner as the authority in its judgment deems appropriate.

Sec. 17. Minnesota Statutes 2024, section 136A.29, is amended by adding a subdivision to read:

Subd. 24. **Determination of affiliate status.** The authority is authorized and empowered to determine whether an entity is an affiliate. A determination by the authority of affiliate status shall be deemed conclusive for the purposes of sections 136A.25 to 136A.42.

Sec. 18. Minnesota Statutes 2024, section 136A.32, subdivision 1, is amended to read:

Subdivision 1. **Bonds; generally.** (a) The authority may from time to time issue revenue bonds for purposes of sections 136A.25 to 136A.42, and all ~~such~~ revenue bonds, notes, bond anticipation notes or other obligations of the authority issued pursuant to sections 136A.25 to 136A.42 shall be and are hereby declared to be negotiable for all purposes notwithstanding their payment from a limited source and without regard to any other law or laws. In anticipation of the sale of ~~such~~ revenue bonds, the authority may issue negotiable bond anticipation notes and may renew the same from time to time, but the maximum maturity of any ~~such~~ note, including renewals ~~thereof~~, shall not exceed five years from the date of issue of the original note. ~~Such~~ Notes shall be paid from any revenues of the authority available therefor and not otherwise pledged, or from the proceeds of sale of the revenue bonds of the authority in anticipation of which they were issued. The notes shall be issued in the same manner as the revenue bonds. ~~Such~~ The notes and the resolution or resolutions authorizing the same may contain any provisions, conditions or limitations which a bond resolution or the authority may contain.

(b) Before issuing revenue bonds, notes, or other obligations under paragraph (a) on behalf of a health care organization to finance health care facilities, the authority must obtain consent by resolution from each

city or town where the project is located, except that consent need not be obtained in the case of a city or town with a population of less than 100,000. The consent by resolution requirement does not apply to financing under paragraph (a) on behalf of a participating institution that is primarily an institution of higher education.

Sec. 19. Minnesota Statutes 2024, section 136A.32, subdivision 4, is amended to read:

Subd. 4. **Provisions of resolution authorizing bonds.** Any resolution or resolutions authorizing any revenue bonds or any issue of revenue bonds may contain provisions, which shall be a part of the contract with the holders of the revenue bonds to be authorized, as to:

(1) pledging all or any part of the revenues of a project or projects, any revenue producing contract or contracts made by the authority with ~~any individual partnership, corporation or association or other body~~ one or more partnerships, corporations or associations, or other bodies, public or private, to secure the payment of the revenue bonds or of any particular issue of revenue bonds, subject to ~~such~~ agreements with bondholders as may then exist;

(2) the rentals, fees and other charges to be charged, and the amounts to be raised in each year thereby, and the use and disposition of the revenues;

(3) the setting aside of reserves or sinking funds, and the regulation and disposition ~~thereof~~ of them;

(4) limitations on the right of the authority or its agent to restrict and regulate the use of the project;

(5) limitations on the purpose to which the proceeds of sale of any issue of revenue bonds then or thereafter to be issued may be applied and pledging ~~such~~ the proceeds to secure the payment of the revenue bonds or any issue of the revenue bonds;

(6) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the refunding of outstanding bonds;

(7) the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent ~~thereto~~ to, and the manner in which ~~such~~ consent may be given;

(8) limitations on the amount of moneys derived from the project to be expended for operating, administrative or other expenses of the authority;

(9) defining the acts or omissions to act which shall constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of ~~such~~ the holders in the event of a default; or

(10) the mortgaging of a project and the site thereof for the purpose of securing the bondholders.

Sec. 20. Minnesota Statutes 2024, section 136A.32, is amended by adding a subdivision to read:

Subd. 4a. **Health care certification.** Health care organizations must provide the authority with a signed certificate from the health care organization stating that so long as authority financing for the health care organization remains outstanding, none of the proceeds of the bonds to the health care organization may be directly or indirectly used to benefit a private party or private equity-funded entity.

Sec. 21. Minnesota Statutes 2024, section 136A.33, is amended to read:

136A.33 TRUST AGREEMENT.

In the discretion of the authority any revenue bonds issued under the provisions of sections 136A.25 to 136A.42, may be secured by a trust agreement by and between the authority and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within the state. ~~Such~~ The trust agreement or the resolution providing for the issuance of ~~such~~ revenue bonds may pledge or assign the revenues to be received or proceeds of any contract or contracts pledged and may convey or mortgage the project or any portion ~~thereof~~ of the project. ~~Such~~ The trust agreement or resolution providing for the issuance of ~~such~~ revenue bonds may contain ~~such~~ provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of laws, including ~~particularly such particular provisions as have hereinabove that have~~ been specifically authorized to be included in any resolution or resolutions of the authority authorizing revenue bonds ~~thereof~~. Any bank or trust company incorporated under the laws of the state ~~which that~~ may act as depository of the proceeds of bonds or of revenues or other moneys may furnish ~~such~~ indemnifying bonds or ~~pledges such~~ pledge securities as may be required by the authority. Any ~~such~~ trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees and may restrict the individual right of action by bondholders. In addition to the foregoing, any ~~such~~ trust agreement or resolution may contain ~~such~~ other provisions as the authority may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of ~~such the~~ trust agreement or resolution may be treated as a part of the cost of the operation of a project.

Sec. 22. Minnesota Statutes 2024, section 136A.34, subdivision 3, is amended to read:

Subd. 3. **Investment.** Any ~~such~~ escrowed proceeds, pending ~~such~~ use, may be invested and reinvested in direct obligations of the United States of America, or in certificates of deposit or time deposits secured by direct obligations of the United States of America, or in shares or units in any money market mutual fund whose investment portfolio consists solely of direct obligations of the United States of America, maturing at ~~such~~ a time or times as shall be appropriate to assure the prompt payment, as to principal, interest and redemption premium, if any, of the outstanding revenue bonds to be so refunded. The interest, income and profits, if any, earned or realized on any ~~such~~ investment may also be applied to the payment of the outstanding revenue bonds to be so refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of ~~such the~~ proceeds and interest, income and profits, if any, earned or realized on the investments ~~thereof~~ may be returned to the authority for use by it in any lawful manner.

Sec. 23. Minnesota Statutes 2024, section 136A.34, subdivision 4, is amended to read:

Subd. 4. **Additional purpose; improvements.** The portion of the proceeds of any ~~such~~ revenue bonds issued for the additional purpose of paying all or any part of the cost of constructing and acquiring additions, improvements, extensions or enlargements of a project may be invested or deposited ~~in time deposits~~ as provided in section 136A.32, subdivision 7.

Sec. 24. Minnesota Statutes 2024, section 136A.36, is amended to read:

136A.36 REVENUES.

The authority may fix, revise, charge and collect rates, rents, fees and charges for the use of and for the services furnished or to be furnished by each project and ~~to~~ may contract with any person, partnership, association or corporation, or other body, public or private, in respect thereof. ~~Such~~ The rates, rents, fees,

and charges may vary between projects involving an education facility and projects involving a health care facility and shall be fixed and adjusted in respect of the aggregate of rates, rents, fees, and charges from such the project so as to provide funds sufficient with other revenues, if any:

(1) to pay the cost of maintaining, repairing and operating the project and each and every portion ~~thereof~~ of the project, to the extent that the payment of such the cost has not otherwise been adequately provided for;

(2) to pay the principal of and the interest on outstanding revenue bonds of the authority issued in respect of such the project as the same shall become due and payable; and

(3) to create and maintain reserves required or provided for in any resolution authorizing, or trust agreement securing, ~~such~~ revenue bonds of the authority. ~~Such~~ The rates, rents, fees and charges shall not be subject to supervision or regulation by any department, commission, board, body, bureau or agency of this state other than the authority. A sufficient amount of the revenues derived in respect of a project, except ~~such~~ part of such the revenues as may be necessary to pay the cost of maintenance, repair and operation and to provide reserves and for renewals, replacements, extensions, enlargements and improvements as may be provided for in the resolution authorizing the issuance of any revenue bonds of the authority or in the trust agreement securing the same, shall be set aside at ~~such~~ regular intervals as may be provided in such the resolution or trust agreement in a sinking or other similar fund ~~which that~~ is hereby pledged to, and charged with, the payment of the principal of and the interest on ~~such~~ revenue bonds as the same shall become due, and the redemption price or the purchase price of bonds retired by call or purchase as therein provided. ~~Such~~ The pledge shall be valid and binding from the time when the pledge is made; the rates, rents, fees and charges and other revenues or other moneys so pledged and thereafter received by the authority shall immediately be subject to the lien of such the pledge without physical delivery ~~thereof~~ or further act, and the lien of any ~~such~~ pledge shall be valid and binding as against all parties having claims of any kind against the authority, irrespective of whether such the parties have notice ~~thereof~~ of the pledge. Neither the resolution nor any trust agreement by which a pledge is created need be filed or recorded except in the records of the authority. The use and disposition of moneys to the credit of ~~such~~ a sinking or other similar fund shall be subject to the provisions of the resolution authorizing the issuance of ~~such~~ bonds or of ~~such~~ a trust agreement. Except as may otherwise be provided in such the resolution or ~~such~~ trust agreement, such the sinking or other similar fund shall be a fund for all ~~such~~ revenue bonds issued to finance a project or projects at one or more participating institutions of higher education without distinction or priority of one over another; provided the authority in any ~~such~~ resolution or trust agreement may provide that such the sinking or other similar fund shall be the fund for a particular project at an a participating institution of higher education and for the revenue bonds issued to finance a particular project and may, additionally, permit and provide for the issuance of revenue bonds having a subordinate lien in respect of the security herein authorized to other revenue bonds of the authority and, in such case, the authority may create separate or other similar funds in respect of such the subordinate lien bonds.

Sec. 25. Minnesota Statutes 2024, section 136A.38, is amended to read:

136A.38 BONDS ELIGIBLE FOR INVESTMENT.

Bonds issued by the authority under the provisions of sections 136A.25 to 136A.42, are hereby made securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them; it being the purpose of this section to authorize the investment in ~~such~~ bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons

or officers; provided, however, that nothing contained in this section may be construed as relieving any person, firm, or corporation from any duty of exercising due care in selecting securities for purchase or investment; and provide further, that in no event shall assets of pension funds of public employees of the state of Minnesota or any of its agencies, boards or subdivisions, whether publicly or privately administered, be invested in bonds issued under the provisions of sections 136A.25 to 136A.42. ~~Such~~ The bonds are hereby constituted "authorized securities" within the meaning and for the purposes of Minnesota Statutes 1969, section 50.14. ~~Such~~ The bonds are hereby made securities ~~which that~~ may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state now or may hereafter be authorized by law.

Sec. 26. Minnesota Statutes 2024, section 136A.41, is amended to read:

136A.41 CONFLICT OF INTEREST.

Notwithstanding any other law to the contrary it shall not be or constitute a conflict of interest for a trustee, director, officer or employee of any participating institution of ~~higher education~~, financial institution, investment banking firm, brokerage firm, commercial bank or trust company, architecture firm, insurance company, construction company, or any other firm, person or corporation to serve as a member of the authority, provided ~~such~~ the trustee, director, officer or employee shall abstain from deliberation, action and vote by the authority in each instance where the business affiliation of any ~~such~~ trustee, director, officer or employee is involved.

Sec. 27. Minnesota Statutes 2024, section 136A.42, is amended to read:

136A.42 ANNUAL REPORT.

The authority shall keep an accurate account of all of its activities and all of its receipts and expenditures ~~and shall annually report to the office.~~ Each year, the authority shall submit to the Minnesota Historical Society and the Legislative Reference Library a report of the authority's activities in the previous year, including all financial activities.

Sec. 28. Minnesota Statutes 2024, section 136F.67, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** A technical college or a community college must not seek financing for child care facilities or parking facilities through the ~~Higher~~ Health and Education Facilities Authority, as provided in section 136A.28, subdivision 7, without the explicit authorization of the board.

Sec. 29. Minnesota Statutes 2024, section 354B.20, subdivision 7, is amended to read:

Subd. 7. **Employing unit.** "Employing unit," if the agency employs any persons covered by the individual retirement account plan under section 354B.211, means:

- (1) the board;
- (2) the Minnesota Office of Higher Education; and
- (3) the ~~Higher~~ Health and Education Facilities Authority.

Sec. 30. REVISOR INSTRUCTION.

The revisor of statutes shall renumber the law establishing and governing the Minnesota Higher Education Facilities Authority, renamed the Minnesota Health and Education Facilities Authority in this act, as Minnesota Statutes, chapter 15D, coded in Minnesota Statutes, sections 136A.25 to 136A.42, as amended or repealed in this act. The revisor of statutes shall also duplicate any required definitions from Minnesota Statutes, chapter 136A; revise any statutory cross-references consistent with the recoding; and report the history in Minnesota Statutes, chapter 15D. The revisor of statutes shall change "Minnesota Higher Education Facilities Authority" to "Minnesota Health and Higher Education Facilities Authority" where it appears in Minnesota Statutes.

Sec. 31. REPEALER.

Minnesota Statutes 2024, section 136A.29, subdivision 4, is repealed.

ARTICLE 8**HUMAN SERVICES HEALTH CARE FINANCE**

Section 1. Minnesota Statutes 2024, section 62A.673, subdivision 2, is amended to read:

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

(b) "Distant site" means a site at which a health care provider is located while providing health care services or consultations by means of telehealth.

(c) "Health care provider" means a health care professional who is licensed or registered by the state to perform health care services within the provider's scope of practice and in accordance with state law. A health care provider includes a mental health professional under section 245I.04, subdivision 2; a mental health practitioner under section 245I.04, subdivision 4; a clinical trainee under section 245I.04, subdivision 6; a treatment coordinator under section 245G.11, subdivision 7; an alcohol and drug counselor under section 245G.11, subdivision 5; and a recovery peer under section 245G.11, subdivision 8.

(d) "Health carrier" has the meaning given in section 62A.011, subdivision 2.

(e) "Health plan" has the meaning given in section 62A.011, subdivision 3. Health plan includes dental plans as defined in section 62Q.76, subdivision 3, but does not include dental plans that provide indemnity-based benefits, regardless of expenses incurred, and are designed to pay benefits directly to the policy holder.

(f) "Originating site" means a site at which a patient is located at the time health care services are provided to the patient by means of telehealth. For purposes of store-and-forward technology, the originating site also means the location at which a health care provider transfers or transmits information to the distant site.

(g) "Store-and-forward technology" means the asynchronous electronic transfer or transmission of a patient's medical information or data from an originating site to a distant site for the purposes of diagnostic and therapeutic assistance in the care of a patient.

(h) "Telehealth" means the delivery of health care services or consultations through the use of real time two-way interactive audio and visual communications to provide or support health care delivery and facilitate the assessment, diagnosis, consultation, treatment, education, and care management of a patient's health

care. Telehealth includes the application of secure video conferencing, store-and-forward technology, and synchronous interactions between a patient located at an originating site and a health care provider located at a distant site. Until July 1, ~~2025~~ 2027, telehealth also includes audio-only communication between a health care provider and a patient ~~in accordance with subdivision 6, paragraph (b)~~ if the communication is a scheduled appointment and the standard of care for that particular service can be met through the use of audio-only communication or if, for substance use disorder treatment services and mental health care services delivered through telehealth by means of audio-only communication, the communication was initiated by the enrollee while in an emergency or crisis situation and a scheduled appointment was not possible due to the need of an immediate response. Telehealth does not include communication between health care providers that consists solely of a telephone conversation, email, or facsimile transmission. Telehealth does not include communication between a health care provider and a patient that consists solely of an email or facsimile transmission. Telehealth does not include telemonitoring services as defined in paragraph (i).

(i) "Telemonitoring services" means the remote monitoring of clinical data related to the enrollee's vital signs or biometric data by a monitoring device or equipment that transmits the data electronically to a health care provider for analysis. Telemonitoring is intended to collect an enrollee's health-related data for the purpose of assisting a health care provider in assessing and monitoring the enrollee's medical condition or status.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 2. Minnesota Statutes 2024, section 62M.17, subdivision 2, is amended to read:

Subd. 2. **Effect of change in prior authorization clinical criteria.** (a) If, during a plan year, or a calendar year for fee-for-service providers under chapters 256B and 256L, a utilization review organization changes coverage terms for a health care service or the clinical criteria used to conduct prior authorizations for a health care service, the change in coverage terms or change in clinical criteria shall not apply until the next plan year, or the next calendar year for fee-for-service providers under chapters 256B and 256L, for any enrollee who received prior authorization for a health care service using the coverage terms or clinical criteria in effect before the effective date of the change.

(b) Paragraph (a) does not apply if a utilization review organization changes coverage terms for a drug or device that has been deemed unsafe by the United States Food and Drug Administration (FDA); that has been withdrawn by either the FDA or the product manufacturer; or when an independent source of research, clinical guidelines, or evidence-based standards has issued drug- or device-specific warnings or recommended changes in drug or device usage.

(c) Paragraph (a) does not apply if a utilization review organization changes coverage terms for a service or the clinical criteria used to conduct prior authorizations for a service when an independent source of research, clinical guidelines, or evidence-based standards has recommended changes in usage of the service for reasons related to patient harm. This paragraph expires December 31, 2025, for health benefit plans offered, sold, issued, or renewed on or after that date.

(d) Effective January 1, 2026, and applicable to health benefit plans offered, sold, issued, or renewed on or after that date, paragraph (a) does not apply if a utilization review organization changes coverage terms for a service or the clinical criteria used to conduct prior authorizations for a service when an independent source of research, clinical guidelines, or evidence-based standards has recommended changes in usage of the service for reasons related to previously unknown and imminent patient harm.

(e) Paragraph (a) does not apply if a utilization review organization removes a brand name drug from its formulary or places a brand name drug in a benefit category that increases the enrollee's cost, provided the utilization review organization (1) adds to its formulary a generic or multisource brand name drug rated as therapeutically equivalent according to the FDA Orange Book, or a biologic drug rated as interchangeable according to the FDA Purple Book, at a lower cost to the enrollee, and (2) provides at least a 60-day notice to prescribers, pharmacists, and affected enrollees.

Sec. 3. Minnesota Statutes 2024, section 174.30, subdivision 3, is amended to read:

Subd. 3. **Other standards; wheelchair securement; protected transport.** (a) A special transportation service that transports individuals occupying wheelchairs is subject to the provisions of sections 299A.11 to 299A.17 concerning wheelchair securement devices. The commissioners of transportation and public safety shall cooperate in the enforcement of this section and sections 299A.11 to 299A.17 so that a single inspection is sufficient to ascertain compliance with sections 299A.11 to 299A.17 and with the standards adopted under this section. Representatives of the Department of Transportation may inspect wheelchair securement devices in vehicles operated by special transportation service providers to determine compliance with sections 299A.11 to 299A.17 and to issue certificates under section 299A.14, subdivision 4.

(b) In place of a certificate issued under section 299A.14, the commissioner may issue a decal under subdivision 4 for a vehicle equipped with a wheelchair securement device if the device complies with sections 299A.11 to 299A.17 and the decal displays the information in section 299A.14, subdivision 4.

(c) For vehicles designated as protected transport under section 256B.0625, subdivision 17, paragraph ~~(h)~~ (n), the commissioner of transportation, during the commissioner's inspection, shall check to ensure the safety provisions contained in that paragraph are in working order.

Sec. 4. Minnesota Statutes 2024, section 256.9657, is amended by adding a subdivision to read:

Subd. 2b. **Hospital assessment.** (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "eligible hospital" means:

(i) PrairieCare psychiatric hospital; or

(ii) a hospital licensed under section 144.50, located in Minnesota, and with a Medicare cost report filed and showing in the Healthcare Cost Report Information System (HCRIS), except for the following:

(A) federal Indian Health Service facilities;

(B) state-owned or state-operated regional treatment centers and all state-operated services;

(C) federal Veterans Administration Medical Centers; and

(D) long-term acute care hospitals;

(2) "net outpatient revenue" means total outpatient revenue less Medicare revenue as calculated from:

(i) values on Worksheet G of the hospital's Medicare cost report; or

(ii) for PrairieCare psychiatric hospital, data available to the commissioner; and

(3) "total patient days" means total hospital inpatient days as reported on:

(i) Worksheet S-3 of the hospital's Medicare cost report; or

(ii) for PrairieCare psychiatric hospital, data available to the commissioner.

(b) Subject to paragraphs (m) to (o), each eligible hospital must pay assessments to the hospital directed payment program account in the special revenue fund, with an aggregate annual assessment amount equal to the sum of the following:

(1) \$120.22 multiplied by total patient days; and

(2) 5.96 percent of the hospital's net outpatient revenue.

(c) The assessment amount for calendar years 2026 and 2027 must be based on the total patient days and net outpatient revenue reflected on an eligible hospital's Medicare cost report as follows:

(1) an eligible hospital with a fiscal year ending on March 31 or June 30 must use data from a cost report from the hospital's fiscal year 2022; and

(2) an eligible hospital with a fiscal year ending on September 30 or December 31 must use data from a cost report from the hospital's fiscal year 2021.

(d) The annual assessment amount for calendar years after 2027 must be set for a two-year period and must be based on the total patient days and net outpatient revenue reflected on an eligible hospital's most recent Medicare cost report filed and showing in HCRIS as of August 1 of the year prior to the subsequent two-year period.

(e) The commissioner may, after consultation with the Minnesota Hospital Association, modify the rates of assessment in paragraph (b) as necessary to comply with federal law, obtain or maintain a waiver under Code of Federal Regulations, title 42, section 433.72, or otherwise maximize under this section federal financial participation for medical assistance. Notwithstanding the foregoing authorization to maximize federal financial participation for medical assistance, the commissioner must reduce the rates of assessment in paragraph (b) as necessary to ensure:

(1) the state's aggregated health care-related taxes on inpatient hospital services do not exceed 5.75 percent of the net patient revenue attributable to those services; and

(2) the state's aggregated health care-related taxes on outpatient hospital services do not exceed 5.75 percent of the net patient revenue attributable to those services.

(f) Eligible hospitals must pay the annual assessment amount under paragraph (b) to the commissioner by paying four equal, quarterly assessments. Eligible hospitals must pay the quarterly assessments by January 1, April 1, July 1, and October 1 each year. Assessments must be paid in the form and manner specified by the commissioner. An eligible hospital is prohibited from paying a quarterly assessment until the eligible hospital has received the applicable invoice under paragraph (g).

(g) The commissioner must provide eligible hospitals with an invoice by December 1 for the assessment due January 1, March 1 for the assessment due April 1, June 1 for the assessment due July 1, and September 1 for the assessment due October 1 each year.

(h) The commissioner must notify each eligible hospital of the hospital's estimated annual assessment amount for the subsequent calendar year by October 15 each year.

(i) If any of the dates for assessments or invoices in paragraphs (f) to (h) fall on a holiday, the applicable date is the next business day.

(j) A hospital that has merged with another hospital must have the surviving hospital's assessment revised at the start of the hospital's first full fiscal year after the merger is complete. A closed hospital is retroactively responsible for assessments owed for services provided through the final date of operations.

(k) If the commissioner determines that a hospital has underpaid or overpaid an assessment, the commissioner must notify the hospital of the unpaid assessment or of any refund due. The commissioner must refund a hospital's overpayment from the hospital directed payment program account created in section 256B.1975, subdivision 1.

(l) Revenue from an assessment under this subdivision must only be used by the commissioner to pay the nonfederal share of the directed payment program under section 256B.1974.

(m) The commissioner is prohibited from collecting any assessment under this subdivision during any period of time when:

(1) federal financial participation is unavailable or disallowed, or if the approved aggregate federal financial participation for the directed payment under section 256B.1974 is less than 51 percent; or

(2) a directed payment under section 256B.1974 is not approved by the Centers for Medicare and Medicaid Services.

(n) The commissioner must make the following discounts from the inpatient portion of the assessment under paragraph (b), clause (1), in the stated amount or as necessary to achieve federal approval of the assessment in this section:

(1) Hennepin Healthcare, with a discount of 25 percent;

(2) Mayo Rochester, with a discount of ten percent;

(3) Gillette Children's Hospital, with a discount of 90 percent;

(4) each hospital not included in another discount category, and with greater than \$200,000,000 in total medical assistance inpatient and outpatient revenue in fee-for-service and managed care, as reported in state fiscal year 2022 medical assistance fee-for-service and managed care claims data, with a discount of five percent; and

(5) any hospital responsible for greater than 12 percent of the total assessment annually collected statewide, with a discount in the amount necessary such that the hospital is responsible for 12 percent of the total assessment annually collected statewide.

(o) The commissioner must make the following discounts from the outpatient portion of the assessment under paragraph (b), clause (2), in the stated amount or as necessary to achieve federal approval of the assessment in this section:

(1) each critical access hospital or independent hospital located outside a city of the first class and paid under the Medicare prospective payment system, with a discount of 40 percent;

(2) Gillette Children's Hospital, with a discount of 90 percent;

(3) Hennepin Healthcare, with a discount of 60 percent;

(4) Mayo Rochester, with a discount of 20 percent; and

(5) each hospital not included in another discount category, and with greater than \$200,000,000 in total medical assistance inpatient and outpatient revenue in fee-for-service and managed care, as reported in state fiscal year 2022 medical assistance fee-for-service and managed care claims data, with a discount of ten percent.

(p) If the federal share of the hospital directed payment program under section 256B.1974 is increased as the result of an increase to the federal medical assistance percentage, the commissioner must reduce the assessment on a uniform percentage basis across eligible hospitals on which the assessment is imposed, such that the aggregate amount collected from hospitals under this subdivision does not exceed the total amount needed to maintain the same aggregate state and federal funding level for the directed payments authorized by section 256B.1974.

(q) Eligible hospitals must submit to the commissioner on an annual basis, in the form and manner specified by the commissioner in consultation with the Minnesota Hospital Association, all documentation necessary to determine the assessment amounts under this subdivision.

EFFECTIVE DATE. (a) This section is effective the later of January 1, 2026, or federal approval of all of the following:

(1) the waiver for the assessment required under this section; and

(2) the hospital directed payment program under Minnesota Statutes, section 256B.1974, and any conforming changes made to the directed payment program under Minnesota Statutes, section 256B.1973.

(b) The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 5. Minnesota Statutes 2024, section 256.969, subdivision 2f, is amended to read:

Subd. 2f. **Alternate inpatient payment rate.** (a) Effective January 1, 2022, for a hospital eligible to receive disproportionate share hospital payments under subdivision 9, paragraph (d), clause (6), the commissioner shall reduce the amount calculated under subdivision 9, paragraph (d), clause (6), by 99 percent and compute an alternate inpatient payment rate. The alternate payment rate shall be structured to target a total aggregate reimbursement amount equal to what the hospital would have received for providing fee-for-service inpatient services under this section to patients enrolled in medical assistance had the hospital received the entire amount calculated under subdivision 9, paragraph (d), clause (6). This paragraph expires when paragraph (b) becomes effective.

(b) For hospitals eligible to receive payment under section 256B.1973 or 256B.1974 and meeting the criteria in subdivision 9, paragraph (d), the commissioner must reduce the amount calculated under subdivision 9, paragraph (d), by one percent and compute an alternate inpatient payment rate. The alternate payment rate must be structured to target a total aggregate reimbursement amount equal to the amount that the hospital would have received for providing fee-for-service inpatient services under this section to patients enrolled in medical assistance had the hospital received 99 percent of the entire amount calculated under subdivision 9, paragraph (d). Hospitals that do not meet federal requirements for Medicaid disproportionate share hospitals are not eligible for the alternate payment rate.

EFFECTIVE DATE. (a) Paragraph (b) of this section is effective the later of January 1, 2026, or federal approval of all of the following:

(1) the waiver for the assessment required under Minnesota Statutes, section 256.9657, subdivision 2b; and

(2) the hospital directed payment program under Minnesota Statutes, section 256B.1974, and any conforming changes made to the directed payment program under Minnesota Statutes, section 256B.1973.

(b) The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 6. Minnesota Statutes 2024, section 256B.0371, subdivision 3, is amended to read:

Subd. 3. **Contingent contract with dental administrator.** (a) The commissioner shall determine the extent to which managed care and county-based purchasing plans in the aggregate meet the performance benchmark specified in subdivision 1 for coverage year 2024. If managed care and county-based purchasing plans in the aggregate fail to meet the performance benchmark, the commissioner, after issuing a request for information followed by a request for proposals, shall contract with a dental administrator to administer dental services beginning January 1, ~~2026~~ 2028, for all recipients of medical assistance and MinnesotaCare; ~~including persons who are served under fee-for-service and persons receiving services through managed care and county-based purchasing plans.~~

(b) The dental administrator must provide administrative services, including but not limited to:

(1) provider recruitment, contracting, and assistance;

(2) recipient outreach and assistance;

(3) utilization management and reviews of medical necessity for dental services;

(4) dental claims processing;

(5) coordination of dental care with other services;

(6) management of fraud and abuse;

(7) monitoring access to dental services statewide;

(8) performance measurement;

(9) quality improvement and evaluation; ~~and~~

(10) management of third-party liability requirements; and

(11) establishment of grievance and appeals processes for providers and enrollees that the commissioner can monitor.

(c) Dental administrator payments to contracted dental providers must be ~~at the~~ based on rates established under sections 256B.76 and 256L.11 recommended by the dental access working group. If the recommended rates are not established in law prior to July 1, 2027, dental administrator payments to contracted dental providers must be at the rates established under sections 256B.76 and 256L.11.

(d) Recipients must be given a choice of dental provider, including any provider who agrees to provider participation requirements and payment rates established by the commissioner and dental administrator. The dental administrator must comply with the network adequacy and geographic access requirements that apply to managed care ~~and county-based purchasing plans~~ for dental services under section 62K.14.

~~(e) The contract with the dental administrator must include a provision that states that if the dental administrator fails to meet, by calendar year 2029, a performance benchmark under which at least 55 percent of children and adults who were continuously enrolled for at least 11 months in either medical assistance or MinnesotaCare received at least one dental visit during the calendar year, the contract must be terminated and the commissioner must enter into a contract with a new dental administrator as soon as practicable~~
performance benchmarks, accountability measures, and progress rewards based on the recommendations from the dental access working group.

~~(f) The commissioner shall implement this subdivision in consultation with representatives of providers who provide dental services to patients enrolled in medical assistance or MinnesotaCare, including but not limited to providers serving primarily low-income and socioeconomically complex populations, and with representatives of managed care plans and county-based purchasing plans.~~

(f) Notwithstanding the contract term limits under section 16C.06, subdivision 3b, the commissioner may extend the implementation contract for the single dental administrator under paragraph (a) up to three years from the date of execution and may contract with the same contractor as the single dental administrator for up to five years, beginning in 2028.

Sec. 7. Minnesota Statutes 2024, section 256B.04, subdivision 12, is amended to read:

Subd. 12. **Limitation on services.** (a) The commissioner shall place limits on the types of services covered by medical assistance, the frequency with which the same or similar services may be covered by medical assistance for an individual recipient, and the amount paid for each covered service. The state agency shall promulgate rules establishing maximum reimbursement rates for emergency and nonemergency transportation.

The rules shall provide:

(1) an opportunity for all recognized transportation providers to be reimbursed for nonemergency transportation consistent with the maximum rates established by the agency; and

(2) reimbursement of public and private nonprofit providers serving the population with a disability generally at reasonable maximum rates that reflect the cost of providing the service regardless of the fare that might be charged by the provider for similar services to individuals other than those receiving medical assistance or medical care under this chapter. This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

(b) The commissioner shall encourage providers reimbursed under this chapter to coordinate their operation with similar services that are operating in the same community. To the extent practicable, the commissioner shall encourage eligible individuals to utilize less expensive providers capable of serving their needs. This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

(c) For the purpose of this subdivision and section 256B.02, subdivision 8, and effective on January 1, 1981, "recognized provider of transportation services" means an operator of special transportation service as defined in section 174.29 that has been issued a current certificate of compliance with operating standards of the commissioner of transportation or, if those standards do not apply to the operator, that the agency finds is able to provide the required transportation in a safe and reliable manner. Until January 1, 1981, "recognized transportation provider" includes an operator of special transportation service that the agency finds is able to provide the required transportation in a safe and reliable manner. This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

(d) Effective July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance, the commissioner shall place limits on the types of services covered by medical assistance, the frequency with which the same or similar services may be covered by medical assistance for an individual recipient, and the amount paid for each covered service.

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

Sec. 8. Minnesota Statutes 2024, section 256B.04, subdivision 14, is amended to read:

Subd. 14. **Competitive bidding.** (a) When determined to be effective, economical, and feasible, the commissioner may utilize volume purchase through competitive bidding and negotiation under the provisions of chapter 16C, to provide items under the medical assistance program including but not limited to the following:

- (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;
- (4) durable medical equipment, including but not limited to:
 - (i) hospital beds;
 - (ii) commodes;
 - (iii) glide-about chairs;
 - (iv) patient lift apparatus;
 - (v) wheelchairs and accessories;
 - (vi) oxygen administration equipment;
 - (vii) respiratory therapy equipment;
 - (viii) electronic diagnostic, therapeutic and life-support systems; and
 - (ix) allergen-reducing products as described in section 256B.0625, subdivision 67, paragraph (c) or (d);
- (5) nonemergency medical transportation level of need determinations, disbursement of public transportation passes and tokens, and volunteer and recipient mileage and parking reimbursements;
- (6) drugs; and
- (7) quitline services as described in section 256B.0625, subdivision 68, paragraph (c).

This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

(b) Effective July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance, when determined to be effective, economical, and feasible, the commissioner may utilize volume purchase through competitive bidding and negotiation under the provisions of chapter 16C to provide items under the medical assistance program, including but not limited to the following:

(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;

(4) durable medical equipment, including but not limited to:

(i) hospital beds;

(ii) commodes;

(iii) glide-about chairs;

(iv) patient lift apparatus;

(v) wheelchairs and accessories;

(vi) oxygen administration equipment;

(vii) respiratory therapy equipment; and

(viii) electronic diagnostic, therapeutic, and life-support systems;

(5) nonemergency medical transportation; and

(6) drugs.

~~(b)~~ (c) Rate changes and recipient cost-sharing under this chapter and chapter 256L do not affect contract payments under this subdivision unless specifically identified.

~~(e)~~ (d) The commissioner may not utilize volume purchase through competitive bidding and negotiation under the provisions of chapter 16C for special transportation services or incontinence products and related supplies. This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

(e) Effective July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance, the commissioner must not utilize volume purchase through competitive bidding and negotiation under the provisions of chapter 16C for incontinence products and related supplies.

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

Sec. 9. Minnesota Statutes 2024, section 256B.0625, subdivision 3b, is amended to read:

Subd. 3b. **Telehealth services.** (a) Medical assistance covers medically necessary services and consultations delivered by a health care provider through telehealth in the same manner as if the service or consultation was delivered through in-person contact. Services or consultations delivered through telehealth shall be paid at the full allowable rate.

(b) The commissioner may establish criteria that a health care provider must attest to in order to demonstrate the safety or efficacy of delivering a particular service through telehealth. The attestation may include that the health care provider:

(1) has identified the categories or types of services the health care provider will provide through telehealth;

(2) has written policies and procedures specific to services delivered through telehealth that are regularly reviewed and updated;

(3) has policies and procedures that adequately address patient safety before, during, and after the service is delivered through telehealth;

(4) has established protocols addressing how and when to discontinue telehealth services; and

(5) has an established quality assurance process related to delivering services through telehealth.

(c) As a condition of payment, a licensed health care provider must document each occurrence of a health service delivered through telehealth to a medical assistance enrollee. Health care service records for services delivered through telehealth must meet the requirements set forth in Minnesota Rules, part 9505.2175, subparts 1 and 2, and must document:

(1) the type of service delivered through telehealth;

(2) the time the service began and the time the service ended, including an a.m. and p.m. designation;

(3) the health care provider's basis for determining that telehealth is an appropriate and effective means for delivering the service to the enrollee;

(4) the mode of transmission used to deliver the service through telehealth and records evidencing that a particular mode of transmission was utilized;

(5) the location of the originating site and the distant site;

(6) if the claim for payment is based on a physician's consultation with another physician through telehealth, the written opinion from the consulting physician providing the telehealth consultation; and

(7) compliance with the criteria attested to by the health care provider in accordance with paragraph (b).

(d) Telehealth visits provided through audio and visual communication or accessible video-based platforms may be used to satisfy the face-to-face requirement for reimbursement under the payment methods that apply to a federally qualified health center, rural health clinic, Indian health service, 638 tribal clinic, and certified community behavioral health clinic, if the service would have otherwise qualified for payment if performed in person.

(e) For purposes of this subdivision, unless otherwise covered under this chapter:

(1) "telehealth" means the delivery of health care services or consultations using real-time two-way interactive audio and visual communication or accessible telehealth video-based platforms to provide or support health care delivery and facilitate the assessment, diagnosis, consultation, treatment, education, and care management of a patient's health care. Telehealth includes: the application of secure video conferencing consisting of a real-time, full-motion synchronized video; store-and-forward technology; and synchronous interactions, between a patient located at an originating site and a health care provider located at a distant site. Telehealth does not include communication between health care providers, or between a health care provider and a patient that consists solely of an audio-only communication, email, or facsimile transmission or as specified by law, except that from July 1, 2025, to July 1, 2027, telehealth includes communication between a health care provider and a patient that solely consists of audio-only communication;

(2) "health care provider" means a health care provider as defined under section 62A.673; a community paramedic as defined under section 144E.001, subdivision 5f; a community health worker who meets the criteria under subdivision 49, paragraph (a); a mental health certified peer specialist under section 245I.04, subdivision 10; a mental health certified family peer specialist under section 245I.04, subdivision 12; a mental health rehabilitation worker under section 245I.04, subdivision 14; a mental health behavioral aide under section 245I.04, subdivision 16; a treatment coordinator under section 245G.11, subdivision 7; an alcohol and drug counselor under section 245G.11, subdivision 5; or a recovery peer under section 245G.11, subdivision 8; and

(3) "originating site," "distant site," and "store-and-forward technology" have the meanings given in section 62A.673, subdivision 2.

EFFECTIVE DATE. This section is effective July 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 10. Minnesota Statutes 2024, section 256B.0625, subdivision 8, is amended to read:

Subd. 8. **Physical therapy.** (a) Medical assistance covers physical therapy and related services. Specialized maintenance therapy is covered for recipients age 20 and under.

(b) Services provided by a physical therapy assistant shall be reimbursed at the same rate as services performed by a physical therapist when the services of the physical therapy assistant are provided under the direction of a physical therapist who is on the premises. Services provided by a physical therapy assistant that are provided under the direction of a physical therapist who is not on the premises shall be reimbursed at 65 percent of the physical therapist rate.

(c) Payment for physical therapy and related services is limited to 14 visits per year unless prior authorization of a greater number of visits is obtained.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner must notify the revisor of statutes when federal approval is obtained.

Sec. 11. Minnesota Statutes 2024, section 256B.0625, subdivision 8a, is amended to read:

Subd. 8a. **Occupational therapy.** (a) Medical assistance covers occupational therapy and related services. Specialized maintenance therapy is covered for recipients age 20 and under.

(b) Services provided by an occupational therapy assistant shall be reimbursed at the same rate as services performed by an occupational therapist when the services of the occupational therapy assistant are provided under the direction of the occupational therapist who is on the premises. Services provided by an occupational therapy assistant that are provided under the direction of an occupational therapist who is not on the premises shall be reimbursed at 65 percent of the occupational therapist rate.

(c) Payment for occupational therapy and related services is limited to 24 visits per year unless prior authorization of a greater number of visits is obtained.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner must notify the revisor of statutes when federal approval is obtained.

Sec. 12. Minnesota Statutes 2024, section 256B.0625, subdivision 8e, is amended to read:

Subd. 8e. **Chiropractic services.** Payment for chiropractic services is limited to individuals under the age of 21. Coverage for individuals under the age of 21 is limited to one annual evaluation and 24 visits per year unless prior authorization of a greater number of visits is obtained.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 13. Minnesota Statutes 2024, section 256B.0625, subdivision 17, is amended to read:

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

(b) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means a census-tract based classification system under which a geographical area is determined to be urban, rural, or super rural. This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

(c) Medical assistance covers medical transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by eligible persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, nonemergency medical transportation company, or other recognized providers of transportation services. Medical transportation must be provided by:

- (1) nonemergency medical transportation providers who meet the requirements of this subdivision;
- (2) ambulances, as defined in section 144E.001, subdivision 2;
- (3) taxicabs that meet the requirements of this subdivision;
- (4) public transportation, within the meaning of "public transportation" as defined in section 174.22, subdivision 7; or
- (5) not-for-hire vehicles, including volunteer drivers, as defined in section 65B.472, subdivision 1, paragraph (p).

(d) Medical assistance covers nonemergency medical transportation provided by nonemergency medical transportation providers enrolled in the Minnesota health care programs. All nonemergency medical transportation providers must comply with the operating standards for special transportation service as defined in sections 174.29 to 174.30 and Minnesota Rules, chapter 8840, and all drivers must be individually enrolled with the commissioner and reported on the claim as the individual who provided the service. All nonemergency medical transportation providers shall bill for nonemergency medical transportation services in accordance with Minnesota health care programs criteria. Publicly operated transit systems, volunteers, and not-for-hire vehicles are exempt from the requirements outlined in this paragraph.

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

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

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

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

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

(f) The administrative agency of nonemergency medical transportation must:

(1) adhere to the policies defined by the commissioner;

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

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

(4) by July 1, 2016, in accordance with subdivision 18e, utilize a web-based single administrative structure assessment tool that meets the technical requirements established by the commissioner, reconciles trip information with claims being submitted by providers, and ensures prompt payment for nonemergency medical transportation services. This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

(g) Effective July 1, 2026, for medical fee-for-service and January 1, 2027, for prepaid medical assistance, the administrative agency of nonemergency medical transportation must:

(1) adhere to the policies defined by the commissioner;

(2) pay nonemergency medical transportation providers for services provided to Minnesota health care program beneficiaries to obtain covered medical services; and

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

~~(g)~~ (h) Until the commissioner implements the single administrative structure and delivery system under subdivision 18e, clients shall obtain their level-of-service certificate from the commissioner or an entity approved by the commissioner that does not dispatch rides for clients using modes of transportation under paragraph ~~(h)~~ (n), clauses (4), (5), (6), and (7). This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

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

~~(i)~~ (j) Nonemergency medical transportation providers must take clients to the health care provider using the most direct route, and must not exceed 30 miles for a trip to a primary care provider or 60 miles for a

trip to a specialty care provider, unless the client receives authorization from the local agency. This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

(k) Effective July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance, nonemergency medical transportation providers must take clients to the health care provider using the most direct route and must not exceed 30 miles for a trip to a primary care provider or 60 miles for a trip to a specialty care provider, unless the client receives authorization from the administrator.

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

~~(k)~~ (m) The administrative agency shall use the level of service process established by the commissioner to determine the client's most appropriate mode of transportation. If public transit or a certified transportation provider is not available to provide the appropriate service mode for the client, the client may receive a onetime service upgrade.

~~(l)~~ (n) The covered modes of transportation are:

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

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

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

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

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

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

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

~~(m)~~ (o) The local agency shall be the single administrative agency and shall administer and reimburse for modes defined in paragraph ~~(l)~~ (n) according to paragraphs ~~(p) and (q)~~ (r) to (t) when the commissioner has developed, made available, and funded the web-based single administrative structure, assessment tool, and level of need assessment under subdivision 18e. The local agency's financial obligation is limited to

funds provided by the state or federal government. This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

~~(n)~~ (p) The commissioner shall:

- (1) verify that the mode and use of nonemergency medical transportation is appropriate;
- (2) verify that the client is going to an approved medical appointment; and
- (3) investigate all complaints and appeals.

~~(o)~~ (q) The administrative agency shall pay for the services provided in this subdivision and seek reimbursement from the commissioner, if appropriate. As vendors of medical care, local agencies are subject to the provisions in section 256B.041, the sanctions and monetary recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245. This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

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

- (1) \$0.22 per mile for client reimbursement;
- (2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer transport;
- (3) equivalent to the standard fare for unassisted transport when provided by public transit, and \$12.10 for the base rate and \$1.43 per mile when provided by a nonemergency medical transportation provider;
- (4) \$14.30 for the base rate and \$1.43 per mile for assisted transport;
- (5) \$19.80 for the base rate and \$1.70 per mile for lift-equipped/ramp transport;
- (6) \$75 for the base rate and \$2.40 per mile for protected transport; and
- (7) \$60 for the base rate and \$2.40 per mile for stretcher transport, and \$9 per trip for an additional attendant if deemed medically necessary. This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

(s) Effective July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance, payments for nonemergency medical transportation must be paid based on the client's assessed mode under paragraph (m), not the type of vehicle used to provide the service.

~~(q)~~ (t) The base rate for nonemergency medical transportation services in areas defined under RUCA to be super rural is equal to 111.3 percent of the respective base rate in paragraph ~~(p)~~ (r), clauses (1) to (7). The mileage rate for nonemergency medical transportation services in areas defined under RUCA to be rural or super rural areas is:

- (1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage rate in paragraph ~~(p)~~ (r), clauses (1) to (7); and
- (2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage rate in paragraph ~~(p)~~ (r), clauses (1) to (7). This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

~~(+)~~ (u) For purposes of reimbursement rates for nonemergency medical transportation services under paragraphs ~~(p)~~ and ~~(q)~~ (r) to (t), the zip code of the recipient's place of residence shall determine whether the urban, rural, or super rural reimbursement rate applies. This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

~~(s)~~ (v) The commissioner, when determining reimbursement rates for nonemergency medical transportation ~~under paragraphs (p) and (q)~~, shall exempt all modes of transportation listed under paragraph ~~(+)~~ (n) from Minnesota Rules, part 9505.0445, item R, subitem (2).

~~(+)~~ (w) Effective for the first day of each calendar quarter in which the price of gasoline as posted publicly by the United States Energy Information Administration exceeds \$3.00 per gallon, the commissioner shall adjust the rate paid per mile in paragraph ~~(p)~~ (r) by one percent up or down for every increase or decrease of ten cents for the price of gasoline. The increase or decrease must be calculated using a base gasoline price of \$3.00. The percentage increase or decrease must be calculated using the average of the most recently available price of all grades of gasoline for Minnesota as posted publicly by the United States Energy Information Administration. This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

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

Sec. 14. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision to read:

Subd. 18i. **Administration of nonemergency medical transportation.** Effective July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance, the commissioner must contract either statewide or regionally for the administration of the nonemergency medical transportation program in compliance with the provisions of this chapter. The contract must include the administration of the nonemergency medical transportation benefit for those enrolled in managed care as described in section 256B.69.

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

Sec. 15. Minnesota Statutes 2024, section 256B.0625, subdivision 30, is amended to read:

Subd. 30. **Other clinic services.** (a) Medical assistance covers rural health clinic services, federally qualified health center services, nonprofit community health clinic services, and public health clinic services. Rural health clinic services and federally qualified health center services mean services defined in United States Code, title 42, section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified health center services shall be made according to applicable federal law and regulation.

(b) A federally qualified health center (FQHC) that is beginning initial operation shall submit an estimate of budgeted costs and visits for the initial reporting period in the form and detail required by the commissioner. An FQHC that is already in operation shall submit an initial report using actual costs and visits for the initial reporting period. Within 90 days of the end of its reporting period, an FQHC shall submit, in the form and detail required by the commissioner, a report of its operations, including allowable costs actually incurred for the period and the actual number of visits for services furnished during the period, and other information required by the commissioner. FQHCs that file Medicare cost reports shall provide the commissioner with a copy of the most recent Medicare cost report filed with the Medicare program intermediary for the reporting year which support the costs claimed on their cost report to the state.

(c) In order to continue cost-based payment under the medical assistance program according to paragraphs (a) and (b), an FQHC or rural health clinic must apply for designation as an essential community provider

within six months of final adoption of rules by the Department of Health according to section 62Q.19, subdivision 7. For those FQHCs and rural health clinics that have applied for essential community provider status within the six-month time prescribed, medical assistance payments will continue to be made according to paragraphs (a) and (b) for the first three years after application. For FQHCs and rural health clinics that either do not apply within the time specified above or who have had essential community provider status for three years, medical assistance payments for health services provided by these entities shall be according to the same rates and conditions applicable to the same service provided by health care providers that are not FQHCs or rural health clinics.

(d) Effective July 1, 1999, the provisions of paragraph (c) requiring an FQHC or a rural health clinic to make application for an essential community provider designation in order to have cost-based payments made according to paragraphs (a) and (b) no longer apply.

(e) Effective January 1, 2000, payments made according to paragraphs (a) and (b) shall be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

(f) Effective January 1, 2001, through December 31, 2020, each FQHC and rural health clinic may elect to be paid either under the prospective payment system established in United States Code, title 42, section 1396a(aa), or under an alternative payment methodology consistent with the requirements of United States Code, title 42, section 1396a(aa), and approved by the Centers for Medicare and Medicaid Services. The alternative payment methodology shall be 100 percent of cost as determined according to Medicare cost principles.

(g) Effective for services provided on or after January 1, 2021, all claims for payment of clinic services provided by FQHCs and rural health clinics shall be paid by the commissioner, according to an annual election by the FQHC or rural health clinic, under the current prospective payment system described in paragraph (f) or the alternative payment methodology described in paragraph (l), or, upon federal approval, for FQHCs that are also urban Indian organizations under Title V of the federal Indian Health Improvement Act, as provided under paragraph (k).

(h) For purposes of this section, "nonprofit community clinic" is a clinic that:

(1) has nonprofit status as specified in chapter 317A;

(2) has tax exempt status as provided in Internal Revenue Code, section 501(c)(3);

(3) is established to provide health services to low-income population groups, uninsured, high-risk and special needs populations, underserved and other special needs populations;

(4) employs professional staff at least one-half of which are familiar with the cultural background of their clients;

(5) charges for services on a sliding fee scale designed to provide assistance to low-income clients based on current poverty income guidelines and family size; and

(6) does not restrict access or services because of a client's financial limitations or public assistance status and provides no-cost care as needed.

(i) Effective for services provided on or after January 1, 2015, all claims for payment of clinic services provided by FQHCs and rural health clinics shall be paid by the commissioner. the commissioner shall determine the most feasible method for paying claims from the following options:

(1) FQHCs and rural health clinics submit claims directly to the commissioner for payment, and the commissioner provides claims information for recipients enrolled in a managed care or county-based purchasing plan to the plan, on a regular basis; or

(2) FQHCs and rural health clinics submit claims for recipients enrolled in a managed care or county-based purchasing plan to the plan, and those claims are submitted by the plan to the commissioner for payment to the clinic.

(j) For clinic services provided prior to January 1, 2015, the commissioner shall calculate and pay monthly the proposed managed care supplemental payments to clinics, and clinics shall conduct a timely review of the payment calculation data in order to finalize all supplemental payments in accordance with federal law. Any issues arising from a clinic's review must be reported to the commissioner by January 1, 2017. Upon final agreement between the commissioner and a clinic on issues identified under this subdivision, and in accordance with United States Code, title 42, section 1396a(bb), no supplemental payments for managed care plan or county-based purchasing plan claims for services provided prior to January 1, 2015, shall be made after June 30, 2017. If the commissioner and clinics are unable to resolve issues under this subdivision, the parties shall submit the dispute to the arbitration process under section 14.57.

(k) The commissioner shall establish an encounter payment rate that is equivalent to the all inclusive rate (AIR) payment established by the Indian Health Service and published in the Federal Register. The encounter rate must be updated annually and must reflect the changes in the AIR established by the Indian Health Service each calendar year. FQHCs that are also urban Indian organizations under Title V of the federal Indian Health Improvement Act may elect to be paid: (1) at the encounter rate established under this paragraph; (2) under the alternative payment methodology described in paragraph (l); or (3) under the federally required prospective payment system described in paragraph (f). FQHCs that elect to be paid at the encounter rate established under this paragraph must continue to meet all state and federal requirements related to FQHCs and urban Indian organizations, and must maintain their statuses as FQHCs and urban Indian organizations.

(l) All claims for payment of clinic services provided by FQHCs and rural health clinics, that have elected to be paid under this paragraph, shall be paid by the commissioner according to the following requirements:

(1) the commissioner shall establish a single medical and single dental organization encounter rate for each FQHC and rural health clinic when applicable;

(2) each FQHC and rural health clinic is eligible for same day reimbursement of one medical and one dental organization encounter rate if eligible medical and dental visits are provided on the same day;

(3) the commissioner shall reimburse FQHCs and rural health clinics, in accordance with current applicable Medicare cost principles, their allowable costs, including direct patient care costs and patient-related support services. Nonallowable costs include, but are not limited to:

- (i) general social services and administrative costs;
- (ii) retail pharmacy;
- (iii) patient incentives, food, housing assistance, and utility assistance;
- (iv) external lab and x-ray;
- (v) navigation services;

- (vi) health care taxes;
- (vii) advertising, public relations, and marketing;
- (viii) office entertainment costs, food, alcohol, and gifts;
- (ix) contributions and donations;
- (x) bad debts or losses on awards or contracts;
- (xi) fines, penalties, damages, or other settlements;
- (xii) fundraising, investment management, and associated administrative costs;
- (xiii) research and associated administrative costs;
- (xiv) nonpaid workers;
- (xv) lobbying;
- (xvi) scholarships and student aid; and
- (xvii) nonmedical assistance covered services;

(4) the commissioner shall review the list of nonallowable costs in the years between the rebasing process established in clause (5), in consultation with the Minnesota Association of Community Health Centers, FQHCs, and rural health clinics. The commissioner shall publish the list and any updates in the Minnesota health care programs provider manual;

(5) the initial applicable base year organization encounter rates for FQHCs and rural health clinics shall be computed for services delivered on or after January 1, 2021, and:

(i) must be determined using each FQHC's and rural health clinic's Medicare cost reports from 2017 and 2018;

(ii) must be according to current applicable Medicare cost principles as applicable to FQHCs and rural health clinics without the application of productivity screens and upper payment limits or the Medicare prospective payment system FQHC aggregate mean upper payment limit;

(iii) must be subsequently rebased every two years thereafter using the Medicare cost reports that are three and four years prior to the rebasing year. Years in which organizational cost or claims volume is reduced or altered due to a pandemic, disease, or other public health emergency shall not be used as part of a base year when the base year includes more than one year. The commissioner may use the Medicare cost reports of a year unaffected by a pandemic, disease, or other public health emergency, or previous two consecutive years, inflated to the base year as established under item (iv);

(iv) must be inflated to the base year using the inflation factor described in clause (6); and

(v) the commissioner must provide for a 60-day appeals process under section 14.57;

(6) the commissioner shall annually inflate the applicable organization encounter rates for FQHCs and rural health clinics from the base year payment rate to the effective date by using the CMS FQHC Market Basket inflator established under United States Code, title 42, section 1395m(o), less productivity;

(7) FQHCs and rural health clinics that have elected the alternative payment methodology under this paragraph shall submit all necessary documentation required by the commissioner to compute the rebased organization encounter rates no later than six months following the date the applicable Medicare cost reports are due to the Centers for Medicare and Medicaid Services;

(8) the commissioner shall reimburse FQHCs and rural health clinics an additional amount relative to their medical and dental organization encounter rates that is attributable to the tax required to be paid according to section 295.52, if applicable;

(9) FQHCs and rural health clinics may submit change of scope requests to the commissioner if the change of scope would result in an increase or decrease of 2.5 percent or higher in the medical or dental organization encounter rate currently received by the FQHC or rural health clinic;

(10) for FQHCs and rural health clinics seeking a change in scope with the commissioner under clause (9) that requires the approval of the scope change by the federal Health Resources Services Administration:

(i) FQHCs and rural health clinics shall submit the change of scope request, including the start date of services, to the commissioner within seven business days of submission of the scope change to the federal Health Resources Services Administration;

(ii) the commissioner shall establish the effective date of the payment change as the federal Health Resources Services Administration date of approval of the FQHC's or rural health clinic's scope change request, or the effective start date of services, whichever is later; and

(iii) within 45 days of one year after the effective date established in item (ii), the commissioner shall conduct a retroactive review to determine if the actual costs established under clause (3) or encounters result in an increase or decrease of 2.5 percent or higher in the medical or dental organization encounter rate, and if this is the case, the commissioner shall revise the rate accordingly and shall adjust payments retrospectively to the effective date established in item (ii);

(11) for change of scope requests that do not require federal Health Resources Services Administration approval, the FQHC and rural health clinic shall submit the request to the commissioner before implementing the change, and the effective date of the change is the date the commissioner received the FQHC's or rural health clinic's request, or the effective start date of the service, whichever is later. The commissioner shall provide a response to the FQHC's or rural health clinic's request within 45 days of submission and provide a final approval within 120 days of submission. This timeline may be waived at the mutual agreement of the commissioner and the FQHC or rural health clinic if more information is needed to evaluate the request;

(12) the commissioner, when establishing organization encounter rates for new FQHCs and rural health clinics, shall consider the patient caseload of existing FQHCs and rural health clinics in a 60-mile radius for organizations established outside of the seven-county metropolitan area, and in a 30-mile radius for organizations in the seven-county metropolitan area. If this information is not available, the commissioner may use Medicare cost reports or audited financial statements to establish base rates;

(13) the commissioner, when establishing organization encounter rates under this section for FQHCs and rural health clinics resulting from a merger of existing clinics or the acquisition of an existing clinic by another existing clinic, must use the combined costs and caseloads from the clinics participating in the merger or acquisition to set the encounter rate for the new clinic organization resulting from the merger or acquisition. The scope of services for the newly formed clinic must be inclusive of the scope of services of the clinics participating in the merger or acquisition;

~~(13)~~ (14) the commissioner shall establish a quality measures workgroup that includes representatives from the Minnesota Association of Community Health Centers, FQHCs, and rural health clinics, to evaluate clinical and nonclinical measures; and

~~(14)~~ (15) the commissioner shall not disallow or reduce costs that are related to an FQHC's or rural health clinic's participation in health care educational programs to the extent that the costs are not accounted for in the alternative payment methodology encounter rate established in this paragraph.

(m) Effective July 1, 2023, an enrolled Indian health service facility or a Tribal health center operating under a 638 contract or compact may elect to also enroll as a Tribal FQHC. Requirements that otherwise apply to an FQHC covered in this subdivision do not apply to a Tribal FQHC enrolled under this paragraph, except that any requirements necessary to comply with federal regulations do apply to a Tribal FQHC. The commissioner shall establish an alternative payment method for a Tribal FQHC enrolled under this paragraph that uses the same method and rates applicable to a Tribal facility or health center that does not enroll as a Tribal FQHC.

(n) FQHC reimbursement for mental health targeted case management services is limited to:

(1) only those services described under subdivision 20 and provided in accordance with contracts executed with counties authorized to subcontract for mental health targeted case management services; and

(2) an FQHC's actual incurred costs as separately reported on the cost report submitted to the Centers for Medicare and Medicaid Services and further identified in reports submitted to the commissioner.

(o) Counties contracting with FQHCs for mental health targeted case management remain responsible for the nonfederal share of the cost of the provided mental health targeted case management services. The commissioner must bill each county for the nonfederal share of the mental health targeted case management costs as reported by the FQHC.

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

Sec. 16. Minnesota Statutes 2024, section 256B.0625, subdivision 54, is amended to read:

Subd. 54. **Services provided in birth centers.** (a) Medical assistance covers services provided in a licensed birth center by a licensed health professional if the service would otherwise be covered if provided in a hospital.

(b) Facility services provided by a birth center shall be paid at the lower of billed charges or ~~70~~ 100 percent of the ~~statewide average for a facility payment rate made to a hospital~~ hospital facility fee cost ~~trended to current~~ for an uncomplicated vaginal birth as determined using the most recent calendar year for which complete claims data is available. If a recipient is transported from a birth center to a hospital prior to the delivery, the payment for facility services to the birth center shall be the lower of billed charges or ~~15~~ 100 percent of the ~~average hospital facility payment made to a hospital for the services provided~~ fee cost ~~trended to current~~ for an uncomplicated vaginal delivery as determined using the most recent calendar year for which complete claims data is available.

(c) ~~Nursery care~~ Facility services provided to a newborn by a birth center shall be paid the lower of billed charges or ~~70~~ 100 percent of the ~~statewide average for a payment rate paid to a hospital for nursery care as determined by using the most recent calendar year for which complete claims data is available~~ the hospital facility fee for a normal newborn as determined using the most recent calendar year for which complete claims data is available, cost trended to current.

(d) Professional services provided by traditional midwives licensed under chapter 147D shall be paid at the lower of billed charges or 100 percent of the rate paid to a physician performing the same services. If a recipient is transported from a birth center to a hospital prior to the delivery, a licensed traditional midwife who does not perform the delivery may not bill for any delivery services. Services are not covered if provided by an unlicensed traditional midwife.

(e) Licensed health professionals working in licensed birth centers shall be reimbursed for the full range of maternity care and newborn care services within their scope of practice, regardless of place of service. The commissioner shall review current birth center reimbursement and, in consultation with birth centers currently licensed in the state, develop revisions to current payment practices in order to ensure reimbursement for the full range of maternity care and newborn care services, including but not limited to:

(1) professional services for intrapartum care when a recipient is transferred from a birth center to a hospital prior to delivery;

(2) professional services billed with a home place of service code by a licensed health professional within their scope of practice;

(3) professional services when a licensed health professional provides any Minnesota-mandated newborn screening, including but not limited to the newborn metabolic screen, CCHD screening, hearing screen, or any other medically necessary newborn screening, test, or assessment; and

(4) telehealth services provided by any licensed health professional working in a birth center.

(f) Managed care organizations and county-based purchasing plans contracted to provide medical assistance coverage under section 256B.69 shall reimburse licensed birth centers and licensed health professionals working in licensed birth centers for the full range of maternity care services within their scope of practice, regardless of place of service, as determined in paragraph (e) at no less than the medical assistance fee for service fee schedule for the year in which the service is provided. If, for any contract year, federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this paragraph. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this paragraph. This paragraph expires if federal approval is not received for this paragraph at any time.

~~(e)~~ (g) The commissioner shall apply for any necessary waivers from the Centers for Medicare and Medicaid Services to allow birth centers and birth center providers to be reimbursed.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 17. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision to read:

Subd. 54a. **Home birth.** (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "birth services" means prenatal, labor, birth, and postpartum services;

(2) "eligible provider" means a licensed or certified health care professional eligible for reimbursement under the medical assistance program; and

(3) "low-risk patient for birth services" means a person undergoing a normal, uncomplicated prenatal course as determined by documentation of adequate prenatal care whose treating provider anticipates a normal, uncomplicated labor and birth, as defined by reasonable and generally accepted criteria adopted by professional groups for maternal, fetal, and neonatal health care.

(b) Medical assistance covers birth services provided at home when the following conditions are met:

(1) the birth services are provided by an eligible provider whose scope of practice and experience includes home birth;

(2) the recipient is a low-risk patient for birth services; and

(3) the recipient has a plan of care that includes:

(i) a consent form detailing the risks and benefits of home birth signed by the recipient;

(ii) sufficient visits, test results, and follow-up consultations as needed to establish that the recipient is a low-risk patient for birth services; and

(iii) a plan for transfer to a hospital as needed.

(c) Services provided under this subdivision by an eligible provider must be paid at a rate at least equal to 100 percent of the rate paid to a physician performing the same services. An eligible provider who does not perform the delivery must not bill for any delivery services.

(d) Supplies used for birth services under this subdivision must be paid at 70 percent of the statewide average for a facility payment rate made to a hospital for an uncomplicated vaginal delivery as determined using the most recent calendar year for which complete claims data are available. If a recipient is transported from a home to a hospital prior to the delivery, the payment for the supplies used for birth services under this subdivision must be the lower of billed charges or 15 percent of the statewide average for a facility payment rate made to a hospital for the services provided for an uncomplicated vaginal delivery as determined using the most recent calendar year for which complete claims data are available.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 18. Minnesota Statutes 2024, section 256B.0757, subdivision 5, is amended to read:

Subd. 5. **Payments.** (a) The commissioner shall make payments to each designated provider for the provision of health home services described in subdivision 3 to each eligible individual under subdivision 2 that selects the health home as a provider. This paragraph expires on the date that paragraph (b) becomes effective.

(b) Effective January 1, 2026, or upon federal approval, whichever is later, the commissioner shall make payments to each designated provider for the provision of health home services described in subdivision 3, except for behavioral health services, to each eligible individual under subdivision 2 who selects the health home as a provider.

Sec. 19. Minnesota Statutes 2024, section 256B.0757, is amended by adding a subdivision to read:

Subd. 5a. **Payments for behavioral health home services.** (a) For services rendered on or after January 1, 2026, or on or after the date of federal approval, whichever is later, and notwithstanding subdivision 5, the commissioner must implement a single statewide reimbursement rate for behavioral health home services under this section. The rate must be no less than \$425 per member per month. The commissioner must adjust the reimbursement rate for behavioral health home services annually according to the change from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined using the Centers for Medicare and Medicaid Services Medicare Economic Index as forecasted in the fourth quarter of the calendar year before the rate year.

(b) The commissioner must review and update the behavioral health home services rate under paragraph (a) at least every four years. The updated rate must account for the average hours required for behavioral health home team members spent providing services and the Department of Labor prevailing wage for required behavioral health home team members. The updated rate must ensure that behavioral health home services rates are sufficient to allow providers to meet required certifications, training, and practice transformation standards; staff qualification requirements; and service delivery standards.

(c) Managed care plans and county-based purchasing plans must reimburse providers at an amount that is at least equal to the fee-for-service rate for services under this subdivision. The commissioner must monitor the effect of this rate increase on enrollee access to services under this subdivision. If for any contract year federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this paragraph. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this paragraph.

EFFECTIVE DATE. This section is effective on the latest of the following: (1) January 1, 2026; (2) federal approval of the medical assistance program changes in this section; or (3) federal approval of all necessary federal waivers to implement the managed care organization assessment in Minnesota Statutes, section 295.525. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 20. Minnesota Statutes 2024, section 256B.1973, subdivision 5, is amended to read:

Subd. 5. **Commissioner's duties; state-directed fee schedule requirement.** (a) For each federally approved directed payment arrangement under this section that is a state-directed fee schedule requirement, the commissioner shall determine a uniform adjustment factor to be applied to each claim submitted by an eligible provider to a health plan. The uniform adjustment factor shall be determined using the average commercial payer rate or using another method acceptable to the Centers for Medicare and Medicaid Services if the average commercial payer rate is not approved, minus the amount necessary for the plan to satisfy tax liabilities under sections 256.9657 and 297I.05 attributable to the directed payment arrangement. The commissioner shall ensure that the application of the uniform adjustment factor maximizes the allowable directed payments and does not result in payments exceeding federal limits, and may use an annual settle-up process. The directed payment ~~shall~~ may be specific to each health plan and prospectively incorporated into capitation payments for that plan.

(b) For each federally approved directed payment arrangement that is a state-directed fee schedule requirement, the commissioner shall develop a plan for the initial implementation of the state-directed fee

schedule requirement to ensure that the eligible provider receives the entire permissible value of the federally approved directed payment arrangement. If federal approval of a directed payment arrangement under this subdivision is retroactive, the commissioner shall make a onetime pro rata increase to the uniform adjustment factor and the initial payments in order to include claims submitted between the retroactive federal approval date and the period captured by the initial payments.

Sec. 21. Minnesota Statutes 2024, section 256B.1973, is amended by adding a subdivision to read:

Subd. 9. **Interaction with other directed payments.** An eligible provider under subdivision 3 may participate in the hospital directed payment program under section 256B.1974 for inpatient hospital services, outpatient hospital services, or both. A provider participating in the hospital directed payment program must not receive a directed payment under this section for any provider classes paid via the hospital directed payment program. A hospital subject to this section must notify the commissioner in writing no later than 30 days after enactment of this subdivision of the hospital's intention to participate in the hospital directed payment program under section 256B.1974 for inpatient hospital services, outpatient hospital services, or both. The election under this subdivision is a onetime election, except that if an eligible provider elects to participate in the hospital directed payment program, and the hospital directed payment program expires or is not federally approved, the eligible provider may subsequently elect to participate in the directed payment under this section.

EFFECTIVE DATE. (a) This section is effective on the later of January 1, 2026, or federal approval of all of the following:

(1) the waiver for the assessment required under Minnesota Statutes, section 256.9657, subdivision 2b; and

(2) the hospital directed payment program under Minnesota Statutes, section 256B.1974.

(b) The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 22. **[256B.1974] HOSPITAL DIRECTED PAYMENT PROGRAM.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Eligible hospital" has the meaning given in section 256.9657, subdivision 2b, paragraph (a), clause (1).

(c) "Health plan" means a managed care plan or county-based purchasing plan that is under contract with the commissioner to deliver services to medical assistance enrollees under section 256B.69 or 256B.692.

Subd. 2. **Required conditions for program.** The hospital directed payment program must conform with the requirements for permissible directed managed care organization expenditures under section 256B.6928, subdivision 5.

Subd. 3. **Commissioner's duties; state-directed fee schedule requirement.** (a) For each federally approved directed payment program that is a state-directed fee schedule requirement that includes a quarterly payment amount to be submitted by each health plan to each eligible hospital, the commissioner must determine the quarterly payment amount using the statewide average commercial payer rate, or using another method acceptable to the Centers for Medicare and Medicaid Services if the statewide average commercial

payer rate is not approved. The commissioner must ensure that the application of the quarterly payment amounts maximizes the amount generated by the hospital assessment in section 256.9657, subdivision 2b, for allowable directed payments and does not result in payments exceeding federal limits.

(b) The commissioner must use an annual settle-up process to determine the accuracy of the amounts paid by the commissioner to health plans for directed payments to hospitals under this section. The commissioner's settle-up determination must occur within one year of the payment of the applicable amounts to health plans. If the commissioner determines the amount paid to a health plan exceeds or is less than the amount required under this section, the commissioner must pay an additional amount to the health plan for directed payments to hospitals or require a refund from the health plan for an overpayment. Any additional amount required to be paid by the commissioner to a health plan, or any refund to the commissioner from a health plan, must be paid by the immediately following April 1. Additional amounts received by a health plan under this paragraph must be paid to the eligible hospital in accordance with this section. Any refund amount the commissioner determines is owed by a health plan under this paragraph must be paid back by the eligible hospital in accordance with this section.

(c) On and after January 1, 2028, if the federal regulations set forth in Code of Federal Regulations, title 42, parts 430, 438, and 457, and applicable to this section remain effective, the hospital directed payment program may be specific to each health plan and prospectively incorporated into capitation payments for that plan.

(d) For each federally approved directed payment program under this section that is a state-directed fee schedule requirement, the commissioner must develop a plan for the initial implementation of the state-directed fee schedule requirement to ensure that eligible hospitals receive the entire permissible value of the federally approved directed payment.

(e) Directed payments under this section must only be used to supplement, and not supplant, medical assistance reimbursement to eligible hospitals. The directed payment program must not modify, reduce, or offset the medical assistance payment rates determined for each eligible hospital as required by section 256.969.

(f) The commissioner must require health plans to make quarterly directed payments according to this section.

(g) Health plans must make quarterly directed payments using electronic funds transfers, if the eligible hospital provides the information necessary to process such transfers, and in accordance with directions provided by the commissioner. Health plans must make quarterly directed payments:

(1) for the first two quarters for which such payments are due, within 30 calendar days of the date the commissioner issued sufficient payments to the health plan to make the directed payments according to this section; and

(2) for all subsequent quarters, within ten calendar days of the date the commissioner issued sufficient payments to the health plan to make the directed payments according to this section.

(h) The commissioner of human services must publish on the Department of Human Services website, on a quarterly basis, the dates that the health plans completed their required quarterly payments under this section.

(i) Payments to health plans that would be paid consistent with actuarial certification and enrollment in the absence of the increased capitation payments under this section must not be reduced as a result of this section.

(j) The commissioner must publish all directed payments resulting from this section owed to each eligible hospital from each health plan on the Department of Human Services website for at least two years. All calculations and reports must be posted no later than the first day of the quarter for which the payments are to be issued.

(k) By December 1 each year, the commissioner must notify each eligible hospital of any changes to the payment methodologies in this section, including but not limited to changes in the directed payment rates, the aggregate directed payment amount for all eligible hospitals, and the eligible hospital's directed payment amount for the upcoming calendar year.

(l) The commissioner must pay the amounts to be used for the directed payments to health plans under contract no later than January 1, April 1, July 1, and October 1 each year.

(m) A hospital is not entitled to payments under this section unless it is an eligible hospital. An eligible hospital that has merged with another hospital must have the surviving hospital's payments under this section revised at the start of the hospital's first full fiscal year after the merger is complete. A closed eligible hospital is entitled to the payments under this section for services provided through the final date of operations.

Subd. 4. Health plan duties; submission of claims. Each health plan must submit to the commissioner, in accordance with its contract with the commissioner to serve as a managed care organization in medical assistance, payment information for each claim paid to an eligible hospital for services provided to a medical assistance enrollee. Health plans must allow each eligible hospital to review the health plan's own paid claims detail to enable proper validation that the medical assistance managed care claims volume and content is consistent with the eligible hospital's internal records. To support the validation process for the directed payment program, health plans must permit the commissioner to share inpatient and outpatient claims-level details with eligible hospitals identifying only those claims where the prepaid medical assistance program under section 256B.69 or 256B.692 is the payer source. Eligible hospitals may request claims-level detail once annually and must provide notice of discrepancies in claims paid to the commissioner in a form determined by the commissioner. The commissioner is authorized to determine the final disposition of the validation process for disputed claims.

Subd. 5. Health plan duties; directed payment add-on. (a) Each health plan must make, in accordance with its contract with the commissioner to serve as a managed care organization in medical assistance, a directed payment to each eligible hospital. The amount of the directed payment to the eligible hospital must be equal to the payment amounts the plan received from the commissioner for the hospital under this section.

(b) Health plans are prohibited from:

(1) setting, establishing, or negotiating reimbursement rates with an eligible hospital in a manner that directly or indirectly takes into account a directed payment that a hospital receives under this section;

(2) unnecessarily delaying a directed payment to an eligible hospital; or

(3) recouping or offsetting a directed payment for any reason, except as expressly authorized by the commissioner.

Subd. 6. Hospital duties; quarterly supplemental directed payment add-on. (a) An eligible hospital receiving a directed payment under this section is prohibited from:

(1) setting, establishing, or negotiating reimbursement rates with a managed care organization in a manner that directly or indirectly takes into account a directed payment that an eligible hospital receives under this section; or

(2) directly passing on the cost of an assessment to patients or nonmedical assistance payers, including as a fee or rate increase.

(b) An eligible hospital that violates this subdivision is prohibited from receiving a directed payment under this section for the remainder of the calendar year. This subdivision does not prohibit an eligible hospital from negotiating with a payer for a rate increase.

Subd. 7. **State minimum policy goals established.** (a) The effect of the directed payments under this section must align with the state's policy goals for medical assistance enrollees. The directed payments must be used to maintain quality and access to a full range of health care delivery mechanisms for medical assistance enrollees, and specifically provide improvement for one of the following quality measures:

(1) overall well child visit rates;

(2) maternal depression screening rates; or

(3) colon cancer screening rates.

(b) The commissioner, in consultation with the Minnesota Hospital Association, must submit to the Centers for Medicare and Medicaid Services quality measures performance evaluation criteria and a methodology to regularly measure access to care and the achievement of state policy goals described in this subdivision.

(c) The quality measures evaluation data, as determined by paragraph (b), must be reported to the Centers for Medicare and Medicaid Services after at least 12 months of directed payments to hospitals.

Subd. 8. **Administrative review.** Before making the payments required under this section, and on at least an annual basis, the commissioner must consult with and provide for review of the payment amounts by a permanent select committee established by the Minnesota Hospital Association. Any data or information reviewed by members of the committee are data not on individuals, as defined in section 13.02. The committee's members may not include any current employee or paid consultant of any hospital.

EFFECTIVE DATE. (a) This section is effective the later of January 1, 2026, or federal approval of all of the following:

(1) the waiver for the assessment required under Minnesota Statutes, section 256.9657, subdivision 2b; and

(2) the hospital directed payment program under this section and any conforming changes to the directed payment program under Minnesota Statutes, section 256B.1973.

(b) The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 23. **[256B.1975] HOSPITAL DIRECTED PAYMENT PROGRAM ACCOUNT.**

Subdivision 1. **Account established; appropriation.** (a) The hospital directed payment program account is created in the special revenue fund in the state treasury.

(b) Money in the account, including interest earned, is annually appropriated to the commissioner of human services for the purposes specified in section 256B.1974.

(c) Transfers from this account to another fund are prohibited, except as necessary to make the payments required under section 256B.1974.

Subd. 2. **Reports to the legislature.** By January 15, 2027, and each January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance that details the activities and uses of money in the hospital directed payment program account, including the metrics and outcomes of the policy goals established by section 256B.1974, subdivision 7.

EFFECTIVE DATE. (a) This section is effective on the later of January 1, 2026, or federal approval of all of the following:

(1) the waiver for the assessment required under Minnesota Statutes, section 256.9657, subdivision 2b; and

(2) the hospital directed payment program under Minnesota Statutes, section 256B.1974, and any conforming changes to the directed payment program under Minnesota Statutes, section 256B.1973.

(b) The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 24. Minnesota Statutes 2024, section 256B.69, subdivision 3a, is amended to read:

Subd. 3a. **County authority.** (a) The commissioner, when implementing the medical assistance prepayment program within a county, must include the county board in the process of development, approval, and issuance of the request for proposals to provide services to eligible individuals within the proposed county. County boards must be given reasonable opportunity to make recommendations regarding the development, issuance, review of responses, and changes needed in the request for proposals. The commissioner must provide county boards the opportunity to review each proposal based on the identification of community needs under chapters 142F and 145A and county advocacy activities. If a county board finds that a proposal does not address certain community needs, the county board and commissioner shall continue efforts for improving the proposal and network prior to the approval of the contract. The county board shall make recommendations regarding the approval of local networks and their operations to ensure adequate availability and access to covered services. The provider or health plan must respond directly to county advocates and the state prepaid medical assistance ombudsperson regarding service delivery and must be accountable to the state regarding contracts with medical assistance funds. The county board may recommend a maximum number of participating health plans after considering the size of the enrolling population; ensuring adequate access and capacity; considering the client and county administrative complexity; and considering the need to promote the viability of locally developed health plans. The county board or a single entity representing a group of county boards and the commissioner shall mutually select health plans for participation at the time of initial implementation of the prepaid medical assistance program in that county or group of counties and at the time of contract renewal. The commissioner shall also seek input for contract requirements from the county or single entity representing a group of county boards at each contract renewal and incorporate those recommendations into the contract negotiation process.

(b) At the option of the county board, the board may develop contract requirements related to the achievement of local public health goals to meet the health needs of medical assistance enrollees. These requirements must be reasonably related to the performance of health plan functions and within the scope of the medical assistance benefit set. If the county board and the commissioner mutually agree to such requirements, the department shall include such requirements in all health plan contracts governing the

prepaid medical assistance program in that county at initial implementation of the program in that county and at the time of contract renewal. The county board may participate in the enforcement of the contract provisions related to local public health goals.

(c) For counties in which a prepaid medical assistance program has not been established, the commissioner shall not implement that program if a county board submits an acceptable and timely preliminary and final proposal under section 256B.692, until county-based purchasing is no longer operational in that county. For counties in which a prepaid medical assistance program is in existence on or after September 1, 1997, the commissioner must terminate contracts with health plans according to section 256B.692, subdivision 5, if the county board submits and the commissioner accepts a preliminary and final proposal according to that subdivision. The commissioner is not required to terminate contracts that begin on or after September 1, 1997, according to section 256B.692 until two years have elapsed from the date of initial enrollment. This paragraph expires upon the effective date of paragraph (d).

(d) For counties in which a prepaid medical assistance program is in existence on or after September 1, 1997, the commissioner must terminate contracts with health plans according to section 256B.692, subdivision 5, if the county board submits and the commissioner accepts a preliminary and final proposal according to that subdivision. This paragraph is effective January 1, 2027, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

~~(d)~~ (e) In the event that a county board or a single entity representing a group of county boards and the commissioner cannot reach agreement regarding: (i) the selection of participating health plans in that county; (ii) contract requirements; or (iii) implementation and enforcement of county requirements including provisions regarding local public health goals, the commissioner shall resolve all disputes after taking into account the recommendations of a three-person mediation panel. The panel shall be composed of one designee of the president of the association of Minnesota counties, one designee of the commissioner of human services, and one person selected jointly by the designee of the commissioner of human services and the designee of the Association of Minnesota Counties. Within a reasonable period of time before the hearing, the panelists must be provided all documents and information relevant to the mediation. The parties to the mediation must be given 30 days' notice of a hearing before the mediation panel.

~~(e)~~ (f) If a county which elects to implement county-based purchasing ceases to implement county-based purchasing, it is prohibited from assuming the responsibility of county-based purchasing for a period of five years from the date it discontinues purchasing.

~~(f)~~ (g) The commissioner shall not require that contractual disputes between county-based purchasing entities and the commissioner be mediated by a panel that includes a representative of the Minnesota Council of Health Plans.

~~(g)~~ (h) At the request of a county-purchasing entity, the commissioner shall adopt a contract repurchase or renewal schedule under which all counties included in the entity's service area are repurchased or renewed at the same time.

~~(h)~~ (i) The commissioner shall provide a written report under section 3.195 to the chairs of the legislative committees having jurisdiction over human services in the senate and the house of representatives describing in detail the activities undertaken by the commissioner to ensure full compliance with this section. The report must also provide an explanation for any decisions of the commissioner not to accept the recommendations of a county or group of counties required to be consulted under this section. The report must be provided at least 30 days prior to the effective date of a new or renewed prepaid or managed care contract in a county.

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

Sec. 25. [256B.695] COUNTY-ADMINISTERED RURAL MEDICAL ASSISTANCE PROGRAM.

Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have the meanings given.

(b) "CARMA" means the county-administered rural medical assistance program established under this section.

(c) "Commissioner" means the commissioner of human services.

(d) "Eligible individual" means an individual who is:

(1) residing in a county administering CARMA; and

(2) eligible for medical assistance, MinnesotaCare, Minnesota Senior Health Options (MSHO), Minnesota Senior Care Plus (MSC+), or Special Needs Basic Care (SNBC).

(e) "Enrollee" means an individual enrolled in CARMA.

(f) "PMAP" means the prepaid medical assistance program under section 256B.69.

(g) "Rural county" has the meaning given to "rural area" in Code of Federal Regulations, title 42, section 438.52.

Subd. 2. Program established. CARMA is established to:

(1) provide a county-owned and county-administered alternative to PMAP;

(2) facilitate integration of health care, public health, and social services to address health-related social needs in rural communities;

(3) account for the fewer enrollees and local providers of health care and community services in rural communities; and

(4) promote accountability for health outcomes, health equity, customer service, community outreach, and cost of care.

Subd. 3. County participation. Each county or group of counties authorized under section 256B.692 may administer CARMA for any or all eligible individuals as an alternative to PMAP, MinnesotaCare, MSHO, MSC+, or SNBC programs. Counties choosing and authorized to administer CARMA are exempt from the procurement process as required under section 256B.69.

Subd. 4. Oversight and regulation. CARMA is governed by sections 256B.69 and 256B.692, unless otherwise provided for under this section. The commissioner must develop and implement a procurement process requiring applications from county-based purchasing plans interested in offering CARMA. The procurement process must require county-based purchasing plans to demonstrate compliance with federal and state regulatory requirements and the ability to meet the goals of the program set forth in subdivision 2. The commissioner must review and approve or disapprove applications.

Subd. 5. CARMA enrollment. (a) Subject to paragraphs (d) and (e), eligible individuals must be automatically enrolled in CARMA, but may decline enrollment. Eligible individuals may enroll in fee-for-service medical assistance. Eligible individuals may change their CARMA elections on an annual basis.

(b) Eligible individuals must be able to enroll in CARMA through the selection process in accordance with the election period established in section 256B.69, subdivision 4, paragraph (e).

(c) Enrollees who were not previously enrolled in the medical assistance program or MinnesotaCare can change their selection once within the first year after enrollment in CARMA. Enrollees who were not previously enrolled in CARMA have 90 days to make a change and changes are allowed for additional special circumstances.

(d) The commissioner may offer a second health plan other than, and in addition to, CARMA to eligible individuals when another health plan is required by federal law or rule. The commissioner may offer a replacement plan to eligible individuals, as determined by the commissioner, when counties administering CARMA have their contract terminated for cause.

(e) The commissioner may, on a county-by-county basis, offer a health plan other than, and in addition to, CARMA to individuals who are eligible for both Medicare and medical assistance due to age or disability if the commissioner deems it necessary for enrollees to have another choice of health plan. Factors the commissioner must consider when determining if the other health plan is necessary include the number of available Medicare Advantage Plan options that are not special needs plans in the county, the size of the enrolling population, the additional administrative burden placed on providers and counties by multiple health plan options in a county, the need to ensure the viability and success of the CARMA program, and the impact to the medical assistance program.

(f) In counties where the commissioner is required by federal law or elects to offer a second health plan other than CARMA pursuant to paragraphs (d) and (e), eligible enrollees who do not select a health plan at the time of enrollment must automatically be enrolled in CARMA.

(g) This subdivision supersedes section 256B.694.

Subd. 6. **Benefits and services.** (a) Counties or groups of counties administering CARMA must cover all benefits and services required to be covered by medical assistance under section 256B.0625.

(b) Counties or groups of counties administering CARMA may reimburse enrollees directly for out-of-pocket costs incurred obtaining assessed HRSN services provided by nontraditional providers who are unable to accept payment via traditional health insurance methods. Enrollees must not be reimbursed for out-of-pocket costs paid to providers eligible to enroll.

Subd. 7. **Payment.** (a) The commissioner, in consultation with counties and groups of counties administering CARMA, must develop a mechanism for making payments to counties and groups of counties that administer CARMA. The payment mechanism must:

(1) be governed by contracts with terms, including but not limited to payment rates, amended on an as-needed basis;

(2) pay a full-risk monthly capitation payment for services included in CARMA, including the cost for administering CARMA benefits and services;

(3) include risk corridors based on minimum loss ratio, total cost of care, or other metrics;

(4) include a settle-up process tied to the risk corridor arrangement allowing a county or group of counties administering CARMA to retain savings for reinvestment in health care activities and operations to protect against significant losses that a county or group of counties administering CARMA or the state might realize, beginning no sooner than after a county's or group of counties' third year of CARMA operations;

(5) include a collaborative rate-setting process accounting for CARMA experience, regional experience, and the Department of Human Services fee-for-service experience; and

(6) be exempt from section 256B.69, subdivisions 5a, paragraphs (c) and (f), and 5d, and payment for Medicaid services provided under section 256B.69, subdivision 28, paragraph (b), no sooner than three years after CARMA implementation.

(b) Payments for benefits and services under subdivision 6, paragraph (a), must not exceed payments that otherwise would have been paid to health plans under medical assistance for that county or region.

Subd. 8. **Quality measures.** (a) The commissioner and counties and groups of counties administering CARMA must collaborate to establish quality measures for CARMA not to exceed the extent of quality measures required under sections 256B.69 and 256B.692. The measures must include:

(1) enrollee experience and outcomes;

(2) population health;

(3) health equity; and

(4) the value of health care spending.

(b) The commissioner and counties and groups of counties administering CARMA must collaborate to define a quality improvement model for CARMA. The model must include a focus on locally specified measures based on counties' unique needs. The locally specified measures for the county or group of counties administering CARMA must be determined before the commissioner enters into any contract with a county or group of counties.

Subd. 9. **Data and systems integration.** The commissioner and counties and groups of counties administering CARMA must collaborate to:

(1) identify and address barriers that prevent counties and groups of counties administering CARMA from reviewing individual enrollee eligibility information to identify eligibility and to help enrollees apply for other appropriate programs and resources;

(2) identify and address barriers preventing counties and groups of counties administering CARMA from more readily communicating with and educating potential and current enrollees regarding other program opportunities, including helping enrollees apply for those programs and navigate transitions between programs;

(3) develop and test, in counties participating in CARMA, a universal public assistance application form to reduce the administrative barriers associated with applying for and participating in various public programs;

(4) identify and address regulatory and system barriers that may prohibit counties and groups of counties administering CARMA, agencies, and other partners from working together to identify and address an individual's needs;

(5) facilitate greater interoperability between counties and groups of counties administering CARMA, agencies, and other partners to send and receive the data necessary to support CARMA, counties, and local health system efforts to improve the health and welfare of prospective and enrolled populations;

(6) support efforts of counties and groups of counties administering CARMA to incorporate the necessary automation and interoperability to eliminate manual processes when related to the data exchanged; and

(7) support the creation and maintenance by counties and groups of counties administering CARMA of an updated electronic inventory of community resources available to assist the enrollee in the enrollee's HRSN, including an electronic closed-loop referral system.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 26. Minnesota Statutes 2024, section 256B.76, subdivision 1, is amended to read:

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

(1) payment for level one Centers for Medicare and Medicaid Services' common procedural coding system codes titled "office and other outpatient services," "preventive medicine new and established patient," "delivery, antepartum, and postpartum care," "critical care," cesarean delivery and pharmacologic management provided to psychiatric patients, and level three codes for enhanced services for prenatal high risk, shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992;

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

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

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

(c) Effective for services rendered on or after July 1, 2009, payment rates for physician and professional services shall be reduced by five percent, except that for the period July 1, 2009, through June 30, 2010, payment rates shall be reduced by 6.5 percent for the medical assistance and general assistance medical care programs, over the rates in effect on June 30, 2009. This reduction and the reductions in paragraph (d) do not apply to office or other outpatient visits, preventive medicine visits and family planning visits billed by physicians, advanced practice registered nurses, or physician assistants in a family planning agency or in one of the following primary care practices: general practice, general internal medicine, general pediatrics, general geriatrics, and family medicine. This reduction and the reductions in paragraph (d) do not apply to federally qualified health centers, rural health centers, and Indian health services. Effective October 1, 2009, payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment reduction described in this paragraph.

(d) Effective for services rendered on or after July 1, 2010, payment rates for physician and professional services shall be reduced an additional seven percent over the five percent reduction in rates described in paragraph (c). This additional reduction does not apply to physical therapy services, occupational therapy services, and speech pathology and related services provided on or after July 1, 2010. This additional reduction does not apply to physician services billed by a psychiatrist or an advanced practice registered nurse with a specialty in mental health. Effective October 1, 2010, payments made to managed care plans and county-based

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

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

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

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

(h) Any ratables effective before July 1, 2015, do not apply to early intensive developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.

(i) The commissioner may reimburse physicians and other licensed professionals for costs incurred to pay the fee for testing newborns who are medical assistance enrollees for heritable and congenital disorders under section 144.125, subdivision 1, paragraph (c), when the sample is collected outside of an inpatient hospital ~~or freestanding birth center~~ and the cost is not recognized by another payment source.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval of the amendments in this act to Minnesota Statutes, section 256B.0625, subdivision 54, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 27. Minnesota Statutes 2024, section 256B.76, is amended by adding a subdivision to read:

Subd. 1a. **Certain long-term ambulatory electrocardiogram monitoring services.** (a) For the purpose of this subdivision, "long-term ambulatory electrocardiogram monitoring services" means the provision of external cardiac patch monitoring devices to patients to wear for 48 hours or greater and the interpretation of data gathered by such devices to detect heart arrhythmias that can lead to stroke, cardiac arrest, or other comorbidities or medical complications if not correctly diagnosed.

(b) Effective January 1, 2026, or upon federal approval, whichever is later, the commissioner must reimburse diagnostic testing facilities providing long-term ambulatory electrocardiogram monitoring services at 100 percent of the Medicare Physician Fee Schedule rate for such services or higher.

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

Sec. 28. Minnesota Statutes 2024, section 256B.76, subdivision 6, is amended to read:

Subd. 6. **Medicare relative value units.** (a) Effective for services rendered on or after January 1, 2007, the commissioner shall make payments for physician and professional services based on the Medicare relative value units (RVUs). This change shall be budget neutral and the cost of implementing RVUs will be incorporated in the established conversion factor.

(b) Notwithstanding any other provision in this chapter modifying rates for the mental health services reimbursed under this paragraph, effective for services rendered on or after January 1, 2025 2026, or on or after the date of federal approval, whichever is later, rates for mental health services reimbursed under the resource-based relative value scale (RBRVS) must be equal to 83 100 percent of the Medicare Physician Fee Schedule.

(c) Effective for services rendered on or after January 1, 2025, the commissioner shall increase capitation payments made to managed care plans and county-based purchasing plans to reflect the rate increases provided under this subdivision. Managed care plans and county-based purchasing plans must use the capitation rate increase provided under this paragraph to increase payment rates to the providers corresponding to the rate increases. The commissioner must monitor the effect of this rate increase on enrollee access to services under this subdivision. If for any contract year federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this paragraph. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this paragraph.

EFFECTIVE DATE. This section is effective on the latest of the following: (1) January 1, 2026; (2) federal approval of the medical assistance program changes in this section; or (3) federal approval of all necessary federal waivers to implement the managed care organization assessment in Minnesota Statutes, section 295.525. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 29. Minnesota Statutes 2024, section 256B.761, is amended to read:

256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.

Subdivision 1. **Rates effective 2026.** (a) Effective for services rendered on or after July 1, 2001, payment for medication management provided to psychiatric patients, outpatient mental health services, day treatment services, home-based mental health services, and family community support services shall be paid at the lower of (1) submitted charges, or (2) 75.6 percent of the 50th percentile of 1999 charges.

(b) Effective July 1, 2001, the medical assistance rates for outpatient mental health services provided by an entity that operates: (1) a Medicare-certified comprehensive outpatient rehabilitation facility; and (2) a facility that was certified prior to January 1, 1993, with at least 33 percent of the clients receiving rehabilitation services in the most recent calendar year who are medical assistance recipients, will be increased by 38 percent, when those services are provided within the comprehensive outpatient rehabilitation facility and provided to residents of nursing facilities owned by the entity.

(c) In addition to rate increases otherwise provided, the commissioner may restructure coverage policy and rates to improve access to adult rehabilitative mental health services under section 256B.0623 and related mental health support services under section 256B.021, subdivision 4, paragraph (f), clause (2). For state fiscal years 2015 and 2016, the projected state share of increased costs due to this paragraph is transferred

~~from adult mental health grants under sections 245.4661 and 256K.10. The transfer for fiscal year 2016 is a permanent base adjustment for subsequent fiscal years. Payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the rate changes described in this paragraph.~~

~~(d) Any ratables effective before July 1, 2015, do not apply to early intensive developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.~~

~~(e) Effective for services rendered on or after January 1, 2024, payment rates for behavioral health services included in the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18, except for adult day treatment services under section 256B.0671, subdivision 3; early intensive developmental and behavioral intervention services under section 256B.0949; and substance use disorder services under chapter 254B, must be increased by three percent from the rates in effect on December 31, 2023. Effective for services rendered on or after January 1, 2025, payment rates for behavioral health services included in the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18; early intensive developmental behavioral intervention services under section 256B.0949; and substance use disorder services under chapter 254B, must be annually adjusted according to the change from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined using the Centers for Medicare and Medicaid Services Medicare Economic Index as forecasted in the fourth quarter of the calendar year before the rate year. For payments made in accordance with this paragraph, if and to the extent that the commissioner identifies that the state has received federal financial participation for behavioral health services in excess of the amount allowed under United States Code, title 42, section 447.321, the state shall repay the excess amount to the Centers for Medicare and Medicaid Services with state money and maintain the full payment rate under this paragraph. This paragraph does not apply to federally qualified health centers, rural health centers, Indian health services, certified community behavioral health clinics, cost-based rates, and rates that are negotiated with the county. This paragraph expires upon legislative implementation of the new rate methodology resulting from the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18.~~

~~(f) Effective January 1, 2024, the commissioner shall increase capitation payments made to managed care plans and county-based purchasing plans to reflect the behavioral health service rate increase provided in paragraph (e). Managed care and county-based purchasing plans must use the capitation rate increase provided under this paragraph to increase payment rates to behavioral health services providers. The commissioner must monitor the effect of this rate increase on enrollee access to behavioral health services. If for any contract year federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this provision.~~

(a) Effective for services rendered on or after January 1, 2026, or on or after the date of federal approval, whichever is later, the commissioner must establish and pay market-based payment rates for the following services:

- (1) children's therapeutic services and supports under section 256B.0943;
- (2) child and family psychoeducation services under section 256B.0671, subdivision 5;
- (3) clinical care consultation services under section 256B.0671, subdivision 7;

- (4) mental health certified family peer specialist services under section 256B.0616;
- (5) adult day treatment services under section 256B.0671, subdivision 3;
- (6) adult rehabilitative mental health services under section 256B.0623;
- (7) adult mental health peer support specialist services under section 256B.0615;
- (8) dialectical behavioral therapy under section 256B.0671, subdivision 6;
- (9) explanation of findings under section 256B.0671, subdivision 4;
- (10) mental health crisis response services under section 256B.0624;
- (11) mental health provider travel time under section 256B.0625, subdivision 43;
- (12) neuropsychological testing under section 256B.0671, subdivision 9;
- (13) partial hospitalization services under section 256B.0671, subdivision 12; and
- (14) psychotherapy services under section 256B.0671, subdivision 11, incorporating biofeedback.

(b) Rates established under paragraph (a) must:

(1) be based on the costs of the following factors:

(i) direct staff worker wages and benefits;

(ii) direct staff worker productivity;

(iii) program-related expenses; and

(iv) administrative costs; and

(2) must not be lower than:

(i) the payment rates recommended in the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18, and published by the Department of Human Services on January 22, 2024; or

(ii) the payment rates in effect on December 31, 2025.

Subd. 2. **Capitation payments.** Managed care and county-based purchasing plans must reimburse providers at an amount that is at least equal to the fee-for-service rate for services under this section. The commissioner must monitor the effect of this rate adjustment on enrollee access to behavioral health services. If for any contract year federal approval is not received for this subdivision, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this subdivision applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this subdivision. Payment recoveries must not exceed the amount equal to any increase in rates that results from this subdivision.

Subd. 3. **Inflation adjustment.** The commissioner must adjust the reimbursement rate for services under this section annually according to the change from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined using the Centers for Medicare and Medicaid Services Medicare Economic Index as forecasted in the fourth quarter of the calendar year before the rate year.

Subd. 4. Exceptions. This section does not apply to federally qualified health centers, rural health centers, Indian health services, or certified community behavioral health clinics or to cost-based rates or rates that are negotiated with the county.

EFFECTIVE DATE. (a) This section is effective on the latest of the following: (1) January 1, 2026; (2) federal approval of the medical assistance program changes in this section; or (3) federal approval of all necessary federal waivers to implement the managed care organization assessment in Minnesota Statutes, section 295.525. The commissioner shall notify the revisor of statutes when federal approval is obtained.

(b) This section prevails over any other amendment made to Minnesota Statutes, section 256B.761, during the 2025 First Special Session, regardless of order of enactment.

Sec. 30. Minnesota Statutes 2024, section 256B.766, is amended to read:

256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.

Subdivision 1. Payment reductions for base care services effective July 1, 2009. ~~(a)~~ Effective for services provided on or after July 1, 2009, total payments for basic care services, shall be reduced by three percent, except that for the period July 1, 2009, through June 30, 2011, total payments shall be reduced by 4.5 percent for the medical assistance and general assistance medical care programs, prior to third-party liability and spenddown calculation.

Subd. 2. Classification of therapies as basic care services. ~~Effective July 1, 2010;~~ The commissioner shall classify physical therapy services, occupational therapy services, and speech-language pathology and related services as basic care services. The reduction in ~~this paragraph~~ subdivision 1 shall apply to physical therapy services, occupational therapy services, and speech-language pathology and related services provided on or after July 1, 2010.

Subd. 3. Payment reductions to managed care plans effective October 1, 2009. ~~(b)~~ Payments made to managed care plans and county-based purchasing plans shall be reduced for services provided on or after October 1, 2009, to reflect the reduction in subdivision 1 effective July 1, 2009, and payments made to the plans shall be reduced effective October 1, 2010, to reflect the reduction in subdivision 1 effective July 1, 2010.

Subd. 4. Temporary payment reductions effective September 1, 2011. ~~(e)~~ (a) Effective for services provided on or after September 1, 2011, through June 30, 2013, total payments for outpatient hospital facility fees shall be reduced by five percent from the rates in effect on August 31, 2011.

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

Subd. 5. Payment increases effective September 1, 2014. ~~(e)~~ (a) Effective for services provided on or after September 1, 2014, payments for ambulatory surgery centers facility fees, hospice services, renal dialysis services, laboratory services, public health nursing services, eyeglasses not subject to a volume purchase contract, and hearing aids not subject to a volume purchase contract shall be increased by three percent and payments for outpatient hospital facility fees shall be increased by three percent.

(b) Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this ~~paragraph~~ subdivision.

Subd. 6. **Temporary payment reductions effective July 1, 2014.** ~~(f)~~ Payments for medical supplies and durable medical equipment not subject to a volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2014, through June 30, 2015, shall be decreased by .33 percent.

Subd. 7. **Payment increases effective July 1, 2015.** (a) Payments for medical supplies and durable medical equipment not subject to a volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2015, shall be increased by three percent from the rates as determined under ~~paragraphs (i) and (j)~~ subdivisions 9 and 10.

~~(g)~~ (b) Effective for services provided on or after July 1, 2015, payments for outpatient hospital facility fees, medical supplies and durable medical equipment not subject to a volume purchase contract, prosthetics, and orthotics to a hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause (4), shall be increased by 90 percent from the rates in effect on June 30, 2015.

(c) Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under ~~this~~ paragraph (b).

Subd. 8. **Exempt services.** ~~(h)~~ This section does not apply to physician and professional services, inpatient hospital services, family planning services, mental health services, dental services, prescription drugs, medical transportation, federally qualified health centers, rural health centers, Indian health services, and Medicare cost-sharing.

Subd. 9. **Individually priced items.** ~~(i)~~ (a) Effective for services provided on or after July 1, 2015, the following categories of medical supplies and durable medical equipment shall be individually priced items: customized and other specialized tracheostomy tubes and supplies, electric patient lifts, and durable medical equipment repair and service.

(b) This ~~paragraph~~ subdivision does not apply to medical supplies and durable medical equipment subject to a volume purchase contract, products subject to the preferred diabetic testing supply program, and items provided to dually eligible recipients when Medicare is the primary payer for the item.

(c) The commissioner shall not apply any medical assistance rate reductions to durable medical equipment as a result of Medicare competitive bidding.

Subd. 10. **Rate increases effective July 1, 2015.** ~~(j)~~ (a) Effective for services provided on or after July 1, 2015, medical assistance payment rates for durable medical equipment, prosthetics, orthotics, or supplies shall be increased as follows:

(1) payment rates for durable medical equipment, prosthetics, orthotics, or supplies that were subject to the Medicare competitive bid that took effect in January of 2009 shall be increased by 9.5 percent; and

(2) payment rates for durable medical equipment, prosthetics, orthotics, or supplies on the medical assistance fee schedule, whether or not subject to the Medicare competitive bid that took effect in January of 2009, shall be increased by 2.94 percent, with this increase being applied after calculation of any increased payment rate under clause (1).

~~This~~ (b) Paragraph (a) does not apply to medical supplies and durable medical equipment subject to a volume purchase contract, products subject to the preferred diabetic testing supply program, items provided

to dually eligible recipients when Medicare is the primary payer for the item, and individually priced items identified in ~~paragraph (i)~~ subdivision 9.

(c) Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect the rate increases in this ~~paragraph~~ subdivision.

Subd. 11. Rates for ventilators. ~~(a)~~ (a) Effective for nonpressure support ventilators provided on or after January 1, 2016, the rate shall be the lower of the submitted charge or the Medicare fee schedule rate.

(b) Effective for pressure support ventilators provided on or after January 1, 2016, the rate shall be the lower of the submitted charge or 47 percent above the Medicare fee schedule rate.

(c) For payments made in accordance with this ~~paragraph~~ subdivision, if, and to the extent that, the commissioner identifies that the state has received federal financial participation for ventilators in excess of the amount allowed effective January 1, 2018, under United States Code, title 42, section 1396b(i)(27), the state shall repay the excess amount to the Centers for Medicare and Medicaid Services with state funds and maintain the full payment rate under this ~~paragraph~~ subdivision.

Subd. 12. Rates subject to the upper payment limit. ~~(a)~~ Payment rates for durable medical equipment, prosthetics, orthotics or supplies, that are subject to the upper payment limit in accordance with section 1903(i)(27) of the Social Security Act, shall be paid the Medicare rate. Rate increases provided in this chapter shall not be applied to the items listed in this ~~paragraph~~ subdivision.

Subd. 13. Temporary rates for enteral nutrition and supplies. ~~(m)~~ For dates of service on or after July 1, 2023, through June 30, 2025, enteral nutrition and supplies must be paid according to this ~~paragraph~~ subdivision. If sufficient data exists for a product or supply, payment must be based upon the 50th percentile of the usual and customary charges per product code submitted to the commissioner, using only charges submitted per unit. Increases in rates resulting from the 50th percentile payment method must not exceed 150 percent of the previous fiscal year's rate per code and product combination. Data are sufficient if: (1) the commissioner has at least 100 paid claim lines by at least ten different providers for a given product or supply; or (2) in the absence of the data in clause (1), the commissioner has at least 20 claim lines by at least five different providers for a product or supply that does not meet the requirements of clause (1). If sufficient data are not available to calculate the 50th percentile for enteral products or supplies, the payment rate must be the payment rate in effect on June 30, 2023.

Subd. 14. Rates for enteral nutrition and supplies. ~~(n)~~ For dates of service on or after July 1, 2025, enteral nutrition and supplies must be paid according to this ~~paragraph~~ subdivision and updated annually each January 1. If sufficient data exists for a product or supply, payment must be based upon the 50th percentile of the usual and customary charges per product code submitted to the commissioner for the previous calendar year, using only charges submitted per unit. Increases in rates resulting from the 50th percentile payment method must not exceed 150 percent of the previous year's rate per code and product combination. Data are sufficient if: (1) the commissioner has at least 100 paid claim lines by at least ten different providers for a given product or supply; or (2) in the absence of the data in clause (1), the commissioner has at least 20 claim lines by at least five different providers for a product or supply that does not meet the requirements of clause (1). If sufficient data are not available to calculate the 50th percentile for enteral products or supplies, the payment must be the manufacturer's suggested retail price of that product or supply minus 20 percent. If the manufacturer's suggested retail price is not available, payment must be the actual acquisition cost of that product or supply plus 20 percent.

Subd. 15. Rates for phototherapy services. For dates of service on or after July 1, 2025, the payment rate for phototherapy services provided to newborns in the home setting must include a service fee in the

amount of \$520 per patient episode, in addition to the daily rental rate for the medical equipment in subdivision 12. The commissioner shall provide an annual inflation adjustment for the phototherapy service fee. The index for the inflation adjustment must be based on the Consumer Price Index for All Urban Consumers increase published by the Bureau of Labor Statistics.

Sec. 31. Minnesota Statutes 2024, section 256L.03, subdivision 3b, is amended to read:

Subd. 3b. **Chiropractic services.** MinnesotaCare covers the following chiropractic services for individuals under the age of 21: (1) medically necessary exams; (2) manual manipulation of the spine; and (3) x-rays.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 32. Minnesota Statutes 2024, section 295.50, subdivision 3, is amended to read:

Subd. 3. **Gross revenues.** (a) "Gross revenues" are total amounts received in money or otherwise by:

(1) a hospital for patient services;

(2) a surgical center for patient services;

(3) a health care provider, other than a staff model health plan company, for patient services;

(4) a wholesale drug distributor for sale or distribution of legend drugs that are delivered in Minnesota by the wholesale drug distributor, by common carrier, or by mail, unless the legend drugs are delivered to another wholesale drug distributor who sells legend drugs exclusively at wholesale; and

(5) a staff model health plan company as gross premiums for enrollees, co-payments, deductibles, coinsurance, and fees for patient services.

(b) For purposes of paragraph (a), clause (4), "gross revenues" includes the amount of any rebate provided by the wholesale drug distributor to a customer, however provided, including a rebate provided under a contractual obligation. "Rebate" means any price concession provided by a wholesale drug distributor, including any price concession based on the actual or estimated utilization, sale volume, or effectiveness of a legend drug.

EFFECTIVE DATE. This section is effective for gross revenues received after June 30, 2025.

Sec. 33. **[295.525] MANAGED CARE ORGANIZATION ASSESSMENT.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in this subdivision have the meanings given.

(b) "Commissioner" means the commissioner of human services.

(c) "Enrollee" has the meaning given in section 62Q.01, except that enrollee does not include:

(1) an individual enrolled in a Medicare plan;

(2) a plan-to-plan enrollee; or

(3) an individual enrolled in a health plan pursuant to the Federal Employees Health Benefits Act of 1959, Public Law 86-382, as amended, to the extent the imposition of the assessment under this section is preempted pursuant to United States Code, title 5, section 8909, subsection (f).

(d) "Managed care organization" or "MCO" means:

- (1) an insurance company licensed under chapter 60A to sell health plans as defined in section 62A.011;
- (2) a nonprofit health services plan corporation as defined in section 62C.02, subdivision 6;
- (3) a health maintenance organization licensed under chapter 62D; or
- (4) a county-based purchasing plan participating in a public health care program under chapter 256B or 256L.

(e) "Medical assistance" means the medical assistance program established under chapter 256B.

(f) "Medical assistance enrollee" means an enrollee in medical assistance or MinnesotaCare for whom the Department of Human Services directly pays the managed care organization a capitated payment.

(g) "Member months" means the number of months an enrollee is covered by an MCO in the calendar year immediately preceding the year of the assessment.

(h) "MinnesotaCare" means the MinnesotaCare program established under chapter 256L.

(i) "Plan-to-plan enrollee" means an individual who receives coverage for health care services through a health plan pursuant to a subcontract from another health plan.

Subd. 2. **MCO assessment.** (a) An annual assessment is imposed on managed care organizations for each calendar year beginning in calendar year 2026. The total annual assessment amount is equal to the sum of the amounts assessed for medical assistance enrollees under paragraph (b) and for nonmedical assistance enrollees under paragraph (c).

(b) The amount assessed for medical assistance enrollees is equal to the sum of the following:

- (1) for medical assistance member months 0 to 60,000, \$0 per member month;
- (2) for medical assistance member months 60,001 to 100,000, \$340 per member month;
- (3) for medical assistance member months 100,001 to 200,000, \$365 per member month; and
- (4) for medical assistance member months 200,001 to 350,000, \$380 per member month.

(c) The amount assessed for nonmedical assistance enrollees is equal to the sum of the following:

- (1) for nonmedical assistance member months 0 to 60,000, \$0 per member month;
- (2) for nonmedical assistance member months 60,001 to 100,000, 50 cents per member month;
- (3) for nonmedical assistance member months 100,001 to 200,000, 75 cents per member month; and
- (4) for nonmedical assistance member months 200,001 to 350,000, \$1 per member month.

(d) The commissioner must annually use the commissioner's authority as necessary to modify the rate of assessment provided under paragraph (e) such that the annual assessment imposed under this subdivision

does not exceed the forecasted cumulative costs attributable to the program changes in subdivision 4, paragraph (e), and the appropriation in subdivision 4, paragraph (f).

(e) The commissioner must, after consultation with managed care organizations likely to be affected, modify the rate of assessment, as set forth in paragraphs (a) to (d), as necessary to:

(1) comply with federal law; obtain or maintain a waiver under Code of Federal Regulations, title 42, section 433.72; ensure the state's aggregated health care-related taxes on managed care organizations do not exceed 5.75 percent of the net patient revenue attributable to those services; or otherwise maximize under this section federal financial participation for medical assistance; and

(2) comply with paragraph (d).

Subd. 3. **Assessment computation; collection.** (a) The commissioner must annually forecast the following for each managed care organization:

(1) total member months for the calendar year;

(2) total Medicare member months for the calendar year;

(3) total medical assistance member months for the calendar year;

(4) total plan-to-plan member months for the calendar year;

(5) total member months through the Federal Employees Health Benefits Act of 1959, Public Law 86-382, as amended, for the calendar year; and

(6) total other enrollment for the calendar year that is not otherwise counted in clauses (2) to (5).

(b) Managed care organizations must provide any information requested by the commissioner for the purpose of this subdivision, provided that the commissioner determines such information is necessary to accurately determine the information in paragraph (a).

(c) The commissioner may correct errors in data provided to the commissioner by a managed care organization to the extent necessary to accurately determine the information in paragraph (a).

(d) For purposes of calculating the information in paragraph (a) for a managed care organization, the commissioner must count any individual that was an enrollee of a health plan at any point of the calendar year, regardless of the enrollee's duration as an enrollee of the health plan.

(e) The commissioner must annually use the information in paragraph (a) to compute the assessment for each managed care organization.

(f) The commissioner must collect the annual assessment for each managed care organization in four equal installments, in the manner determined by the commissioner.

(g) Managed care organizations must pay the four installments under paragraph (f) on the following schedule:

(1) the first installment is due by March 31;

(2) the second installment is due by July 31;

(3) the third installment is due by September 30; and

(4) the fourth installment is due by November 30.

(h) The commissioner is prohibited from collecting any amount under this section until 20 days after the commissioner has notified the managed care organization of:

(1) the effective date of this section; and

(2) the annual assessment amount.

(i) In the event of a merger, acquisition, or other transaction that results in the transfer of health plan responsibility to another managed care organization or similar entity, the surviving, acquiring, or controlling managed care organization or similar entity is responsible for paying the full assessment amount as provided in this section that would have been the responsibility of the managed care organization to which that full assessment amount was assessed upon the effective date of the transaction. If a transaction results in the transfer of health plan responsibility for only some of a health plan's enrollees under this section but not all enrollees, the full assessment amount as provided in this section remains the responsibility of the managed care organization to which that full assessment amount was assessed.

(j) The commissioner is prohibited from collecting any assessment under this subdivision during any period of time when the assessment is not considered a permissible health care-related tax under Code of Federal Regulations, title 42, section 433.68, or would result in a net loss of federal financial participation.

Subd. 4. **MCO assessment expenditures.** (a) All amounts collected by the commissioner under this section must be deposited in the special revenue fund.

(b) The arrangement under this section must be implemented in managed care through the prospective capitation rate setting process and must follow all federal requirements, including Code of Federal Regulations, title 42, section 438.5, paragraph (e).

(c) The assessment money must be used to supplement money for medical assistance from the general fund.

(d) The commissioner must disclose to all managed care organizations, in a time and manner determined by the commissioner, the following information:

(1) the assessments imposed on each managed care organization pursuant to this section; and

(2) an accounting of all money raised by the MCO assessment.

(e) All amounts collected by the commissioner under this section, except for the amount necessary for the appropriation under paragraph (f), are annually appropriated from the special revenue fund to the commissioner to provide nonfederal money for medical assistance and MinnesotaCare program rate changes made in this act related to:

(1) behavioral health home services under section 256B.0757;

(2) mental health rates reimbursed under the resource-based relative value scale to 100 percent of the Medicare Physician Fee Schedule under section 256B.76, subdivision 6;

(3) mental health services under section 256B.761; and

(4) mental health services provided by masters-prepared mental health professionals and physician assistants resulting from the repeal of section 256B.0625, subdivision 38.

(f) Reasonable costs for administering the MCO assessment are annually appropriated from the special revenue fund to the commissioner.

(g) A payment rate adjusted under this paragraph may not be lower than the base payment rate for the service in effect on December 31, 2025.

(h) If provider payment rates are adjusted as the result of insufficient revenue from the MCO assessment relative to the medical assistance and MinnesotaCare program changes in paragraphs (e), clauses (1) to (4), and (f), as directed in this act, the commissioner must:

(1) provide the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy an overview of the changes and recommended statutory language to codify the adjusted payment rate methodology; and

(2) consult with impacted providers and provide a public comment period of at least 30 days prior to seeking federal approval for rate changes.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval for the assessment established in this section to be considered a permissible health care-related tax under Code of Federal Regulations, title 42, section 433.68, eligible for federal financial participation, including but not limited to federal approval of a waiver under Code of Federal Regulations, title 42, section 433.72, if such waiver is necessary to receive health care-related taxes without a reduction in federal financial participation, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 34. Laws 2021, First Special Session chapter 7, article 1, section 39, is amended to read:

Sec. 39. CONTINGENT FUNDING RELATED TO DENTAL ADMINISTRATOR.

If managed care and county-based purchasing plans do not meet in the aggregate the dental access performance benchmark under Minnesota Statutes, section 256B.0371, subdivision 1, for coverage year 2024, the general fund base for the department of human services for the ~~2026-2027~~ 2028-2029 biennium shall include \$107,000 in fiscal year ~~2026~~ 2028 and \$122,000 in fiscal year ~~2027~~ 2029 for staffing necessary to contract with a dental administrator, and \$5,000 in fiscal year ~~2026~~ 2028 and \$1,000 in fiscal year ~~2027~~ 2029 for systems changes necessary to contract with a dental administrator.

Sec. 35. IMPLEMENTATION OF HOSPITAL ASSESSMENT AND DIRECTED PAYMENT PROGRAM.

(a) The commissioner of human services must immediately begin all necessary claims analysis to calculate the assessment and payments required under Minnesota Statutes, section 256.9657, subdivision 2b, and the hospital directed payment program described in Minnesota Statutes, section 256B.1974.

(b) The commissioner of human services, in consultation with the Minnesota Hospital Association, must submit to the Centers for Medicare and Medicaid Services a request for federal approval to implement the hospital assessment described in Minnesota Statutes, section 256.9657, subdivision 2b, and the hospital directed payment program under Minnesota Statutes, section 256B.1974. At least 15 days before submitting the request for approval, the commissioner must make available to the public the draft assessment requirements, the draft directed payment details, and an estimate of each assessment amount for each eligible hospital.

(c) During the design and prior to submission of the request for approval under paragraph (b), the commissioner of human services must consult with the Minnesota Hospital Association and any eligible hospitals that are not members of the Minnesota Hospital Association.

(d) If federal approval is received for the request under paragraph (b), the commissioner of human services must provide at least 15 days of public posting and review of the federally approved terms and conditions for the assessment and the directed payment program prior to any assessment under Minnesota Statutes, section 256.9657, subdivision 2b, becoming due from an eligible hospital.

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

Sec. 36. **DENTAL ACCESS WORKING GROUP.**

Subdivision 1. **Establishment.** (a) The commissioner of human services must establish a working group as part of the Dental Services Advisory Committee to identify and make recommendations on the state's goals, priorities, and processes for contracting with a dental administrator under Minnesota Statutes, section 256B.0371, and to consult with the commissioner on implementation of the recommendations.

(b) The working group expires on January 1, 2028.

Subd. 2. **Membership.** The working group must include members of the Dental Services Advisory Committee, and must also include additional members as needed to ensure representation from each of the following:

(1) critical access dental providers;

(2) dental providers that primarily serve low-income and socioeconomically complex populations;

(3) dental providers that serve private-pay patients as well as medical assistance and MinnesotaCare enrollees;

(4) rural critical access dental providers that do not have clinics in the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2;

(5) managed care plans; and

(6) county-based purchasing plans.

Subd. 3. **Recommendations.** (a) The working group must provide recommendations to the commissioner on:

(1) establishing and implementing a dental payment rate structure for medical assistance and MinnesotaCare that:

(i) is based on the most recent cost data available;

(ii) promotes accountability while considering geographic differences in access to and cost of dental services, critical access dental status, patient characteristics, transportation needs, and medical and dental benefit coordination;

(iii) can be updated regularly; and

(iv) is based on the payment rates for dental providers established under Minnesota Statutes, sections 256B.76 and 256L.11;

(2) performance benchmarks that focus on improving oral health for medical assistance and MinnesotaCare enrollees, including consideration of Dental Quality Alliance and Oral Health Impact Profile measures for broader assessment of a full range of services, and the feasibility, cost, and value of providing the services;

(3) methods for measuring progress toward the performance benchmarks and holding the dental administrator accountable for progress, including providing rewards for progress;

(4) establishing goals and processes to ensure coordination of care among medical assistance and MinnesotaCare providers, including dental, medical, and other care providers, particularly for patients with complex cases engaged in active treatment plans at the time of transition to the dental administrator under Minnesota Statutes, section 256B.0371;

(5) developing and implementing an infrastructure and workforce development strategy that invests in the medical assistance and MinnesotaCare dental system through grants and loans at a level that enables continued development of dental capacity commensurate with that obtained through the managed care delivery system and from philanthropic sources; and

(6) developing and implementing a workforce development strategy to support the pipeline of dental providers and oral health practitioners at all levels.

(b) By February 1, 2026, the working group must provide the recommendations required under paragraph (a), clause (1), to the commissioner. By September 1, 2026, the working group must provide all other recommendations required under this subdivision to the commissioner.

Subd. 4. **Reporting requirements.** By March 1, 2027, the commissioner, in consultation with the commissioner's contracted dental administrator, must develop an implementation plan and timeline to effectuate the recommendations from the working group under this section and must submit a report with the recommendations, plan, timeline, and any draft legislation required to implement the plan to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance.

Sec. 37. REQUEST FOR FEDERAL WAIVER.

The commissioner of human services must seek all federal waivers and authority necessary to implement the county-assisted rural medical assistance (CARMA) program under Minnesota Statutes, section 256B.695. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

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

Sec. 38. COUNTY-ADMINISTERED RURAL MEDICAL ASSISTANCE PROGRAM IMPLEMENTATION COSTS.

Up to \$500,000 of the nonfederal share of the costs to the Department of Human Services for implementation of the requirements under the county-assisted rural medical assistance (CARMA) program under Minnesota Statutes, section 256B.695, must be paid via an intergovernmental funds transfer to the commissioner of human services by each county or group of counties authorized under Minnesota Statutes, section 256B.692, seeking to administer a CARMA program. The costs must be paid in a manner that is in compliance with the requirements of Code of Federal Regulations, title 42, section 433.51. Within one year of receiving payment under this section, the commissioner must provide a settle-up process for any county or group of counties authorized under Minnesota Statutes, section 256B.692, administering a CARMA

program and making payment under this section to document and adjust payments owed to account for the commissioner's actual implementation costs for Minnesota Statutes, section 256B.695.

Sec. 39. MEDICAL ASSISTANCE COVERAGE OF TRADITIONAL HEALTH CARE PRACTICES.

Subdivision 1. **Waiver request.** By October 1, 2025, the commissioner of human services, in consultation with Tribes, Tribal organizations, and urban Indian organizations, shall apply to the Centers for Medicare and Medicaid Services for a waiver to allow the state's medical assistance program to provide coverage for traditional health care practices received through Indian health service facilities, facilities operated by Tribes or Tribal organizations under the Indian Self-Determination and Education Assistance Act, or facilities operated by urban Indian organizations under Title V of the Indian Health Care Improvement Act.

Subd. 2. **Requirements.** (a) A qualified provider must determine whether a medical assistance enrollee is eligible to receive traditional health care practices under this section.

(b) Traditional health care practices are covered under this section if they are received from a qualified provider.

(c) For purposes of this section, "qualified provider" means a practitioner or provider who is employed by or under contract with the Indian Health Service, a 638 Tribal clinic, or a Title V urban Indian organization. Each facility is responsible for ensuring that a qualified provider has the necessary experience and appropriate training to provide traditional health care practices.

Subd. 3. **Payments for traditional health care practices.** Reimbursement for traditional health care practices under this section is set at the outpatient, per-visit rate established by the Indian Health Service under sections 321(a) and 322(b) of the Public Health Service Act. Reimbursement is limited to one payment per day, per medical assistance enrollee receiving traditional health care practices.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later, except that subdivision 1 is effective the day following final enactment. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 40. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; ENHANCED FEDERAL REIMBURSEMENT FOR FAMILY PLANNING SERVICES IN MEDICAL ASSISTANCE.

The commissioner of human services must make the systems modification necessary to claim enhanced federal reimbursement for all family planning services under the medical assistance program.

Sec. 41. BUDGET NEUTRALITY; RATE ADJUSTMENTS.

(a) By October 1 of each year, the commissioner of human services must determine the difference between the forecasted costs to the medical assistance and MinnesotaCare programs attributable to the program changes in Minnesota Statutes, section 295.525, subdivision 4, paragraph (e), and the revenue from the MCO assessment imposed under Minnesota Statutes, section 295.525, subdivision 2, including federal financial participation.

(b) For each fiscal year, the commissioner of human services must certify the difference between the forecasted costs to the medical assistance and MinnesotaCare programs determined under paragraph (a) and report the difference in costs to the commissioner of management and budget at least four weeks prior to a forecast under Minnesota Statutes, section 16A.103.

(c) If for any fiscal year, the cumulative forecasted costs attributable to the program changes in Minnesota Statutes, section 295.525, subdivision 4, paragraphs (e) and (f), exceed anticipated revenue from the MCO assessment imposed under Minnesota Statutes, section 295.525, subdivision 2, as determined under paragraph (a), the commissioner of human services must reduce the costs to the medical assistance and MinnesotaCare programs attributable to the program changes in Minnesota Statutes, section 295.525, subdivision 4, paragraph (e). The commissioner's reduction under this paragraph must be on a uniform percentage basis across the rate increases provided in Minnesota Statutes, section 295.525, subdivision 4, paragraph (e).

(d) If federal approval is rescinded after the commissioner received federal approval for the assessment established in Minnesota Statutes, section 295.525, subdivision 2, to be considered a permissible health care-related tax under Code of Federal Regulations, title 42, section 433.68, eligible for federal financial participation, including but not limited to federal approval of a waiver under Code of Federal Regulations, title 42, section 433.72, the commissioner must cease to collect the assessment; cease any adjustment to capitation payments to managed care plans under Minnesota Statutes, section 256B.761, subdivisions 2 and 3; and remove the costs to the medical assistance and MinnesotaCare programs attributable to the program changes in Minnesota Statutes, section 295.525, subdivision 4, paragraph (e), as soon as the commissioner is able to implement the changes.

Sec. 42. **FEDERAL APPROVAL; WAIVERS.**

(a) The commissioner must request federal approval for the managed care organization assessment on managed care organizations established in this act to be considered a permissible health care-related tax under Code of Federal Regulations, title 42, section 433.68, eligible for federal financial participation.

(b) To obtain federal approval under paragraph (a), the commissioner may apply for a waiver of the federal broad-based requirement for health care-related taxes, uniform requirement for health care-related taxes, and any other provision of federal law necessary to implement Minnesota Statutes, section 295.525.

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

Sec. 43. **REPEALER.**

(a) Laws 2023, chapter 70, article 16, section 22, is repealed.

(b) Minnesota Statutes 2024, section 256B.0625, subdivisions 18b, 18e, and 18h, are repealed.

(c) Minnesota Statutes 2024, section 256B.0625, subdivision 38, is repealed.

EFFECTIVE DATE. Paragraph (b) is effective July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance. Paragraph (c) is effective on the latest of the following: (1) January 1, 2026; (2) federal approval of the medical assistance program changes in this section; (3) federal approval of the amendments in this act to Minnesota Statutes, section 256B.76, subdivision 6; (4) federal approval of the amendments in this act to Minnesota Statutes, section 256B.761; or (5) federal approval of all necessary federal waivers to implement the managed care organization assessment in Minnesota Statutes, section 295.525. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

ARTICLE 9
ECONOMIC SUPPORTS

Section 1. Minnesota Statutes 2024, section 142A.03, is amended by adding a subdivision to read:

Subd. 35. **Electronic benefits transfer; contracting and procurement.** Notwithstanding chapter 16C, the commissioner is exempt from the contract term limits for the issuance of public benefits through an electronic benefit transfer system and related services. These contracts may have up to an initial five-year term with extensions not to exceed a ten-year total contract duration.

Sec. 2. Minnesota Statutes 2024, section 142F.14, is amended to read:

142F.14 FOOD SHELF.

Subdivision 1. **Distribution of appropriation.** The commissioner must distribute funds appropriated to the commissioner ~~by law for that purpose~~ for purposes of this section to ~~Hunger Solutions~~ The Food Group, a statewide association of food shelves organized as a nonprofit corporation as defined under section 501(c)(3) of the Internal Revenue Code of 1986, to distribute to qualifying food shelves. A food shelf qualifies under this section if:

(1) it is a nonprofit corporation, or is affiliated with a nonprofit corporation, as defined in section 501(c)(3) of the Internal Revenue Code of 1986 or a federally recognized Tribal nation;

(2) it distributes standard food orders without charge to needy individuals. The standard food order must consist of at least a two-day supply or six pounds per person of nutritionally balanced food items;

(3) it does not limit food distributions to individuals of a particular religious affiliation, race, or other criteria unrelated to need or to requirements necessary to administration of a fair and orderly distribution system;

(4) it does not use the money received or the food distribution program to foster or advance religious or political views; and

(5) it has a stable address and directly serves individuals.

Subd. 2. **Application.** In order to receive money appropriated under this section, ~~Hunger Solutions~~ The Food Group must apply to the commissioner. The application must be in a form prescribed by the commissioner and must indicate the proportion of money each qualifying food shelf shall receive. Applications must be filed at the times and for the periods determined by the commissioner.

Subd. 3. **Distribution formula.** ~~Hunger Solutions~~ The Food Group must distribute money distributed to it by the department to food shelf programs in proportion to the number of individuals served by each food shelf program. The commissioner must gather data from ~~Hunger Solutions~~ The Food Group or other appropriate sources to determine the proportionate amount each qualifying food shelf program is entitled to receive. The commissioner may increase or decrease the qualifying food shelf program's proportionate amount if the commissioner determines the increase or decrease is necessary or appropriate to meet changing needs or demands.

Subd. 4. **Use of money.** At least 96 percent of the money distributed to ~~Hunger Solutions~~ The Food Group under this section must be distributed to food shelf programs to purchase, transport, and coordinate the distribution of nutritious food to needy individuals and families. The money distributed to food shelf

programs may also be used to purchase personal hygiene products, including but not limited to diapers and toilet paper. No more than four percent of the money may be expended for other expenses, such as rent, salaries, and other administrative expenses of ~~Hunger Solutions~~ The Food Group.

Subd. 5. **Enforcement.** ~~Hunger Solutions~~ The Food Group must retain records documenting expenditure of the money and comply with any additional requirements imposed by the commissioner. The commissioner may require ~~Hunger Solutions~~ The Food Group to report on its use of the funds. The commissioner may require that the report contain an independent audit. If ineligible expenditures are made by ~~Hunger Solutions~~ The Food Group, the ineligible amount must be repaid to the commissioner and deposited in the general fund.

Subd. 6. **Administrative expenses.** All funds appropriated under this section must be distributed to ~~Hunger Solutions~~ The Food Group as provided under this section with deduction by the commissioner for administrative expenses limited to 1.8 percent.

Subd. 7. **Data classification.** Data collected on individuals from which the identity of any individual receiving services may be determined are private data on individuals as defined in section 13.02.

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

Sec. 3. **PREPARED MEALS FOOD RELIEF GRANTS.**

Subdivision 1. **Establishment.** The commissioner of children, youth, and families must establish a prepared meals grant program to provide hunger relief to Minnesotans experiencing food insecurity and who have difficulty preparing meals due to limited mobility, disability, or limited resources.

Subd. 2. **Eligible grantees.** (a) Eligible grantees are nonprofit organizations or Minnesota Tribal governments, as defined in Minnesota Statutes, section 10.65, with a demonstrated history of providing and distributing prepared meals that are customized for the population that the organization or Tribal government serves, including tailoring meals to cultural, religious, and dietary needs.

(b) An individual or nonprofit organization affiliated with Feeding Our Future is prohibited from receiving grant funds under this section.

Subd. 3. **Application.** Eligible grantees applying for grant money under this section must apply to the commissioner on the forms and in the time and manner established by the commissioner.

Subd. 4. **Allowable uses of grant funds.** (a) Eligible grantees must use grant money awarded under this section to fund a prepared meals program that primarily targets individuals 18 years of age or older and under 61 years of age, and their dependents experiencing food insecurity. Grantees must not receive funding from other state and federal meal programs for activities funded under this section.

(b) Grantees must prepare meals in a licensed commercial kitchen and distribute meals according to ServSafe guidelines.

Subd. 5. **Duties of the commissioner.** (a) The commissioner must develop a process for determining eligible grantees under this section.

(b) In granting money, the commissioner must prioritize applicants that:

(1) have demonstrated the ability to provide prepared meals to racially, ethnically, and geographically diverse populations who are at greater risk for food insecurity;

(2) work with external community partners to distribute meals targeting nontraditional meal sites to reach those most in need; and

(3) have a demonstrated history of sourcing at least 50 percent of the prepared meal ingredients from:

(i) Minnesota food producers and processors; or

(ii) food that is donated or would otherwise be waste.

(c) The commissioner must consider geographic distribution to ensure statewide coverage when awarding grants and must minimize the number of grantees to simplify administrative burdens and costs.

Subd. 6. **Reporting.** (a) Grantees receiving money under this section must retain records documenting expenditure of the money and comply with any additional documentation requirements imposed by the commissioner.

(b) Grantees must report on the use of money received under this section to the commissioner. The commissioner must determine the timing and form required for the reports.

Subd. 7. **Ineligible expenditures.** If the commissioner determines that ineligible expenditures are made by a grantee under this section, the ineligible amount must be repaid by the grantee to the commissioner and deposited in the general fund.

Sec. 4. **REGIONAL FOOD BANK GRANTS.**

Subdivision 1. **Establishment.** The commissioner of children, youth, and families must establish regional food bank grants to increase the availability of food to individuals and families in need.

Subd. 2. **Distribution of appropriation.** The commissioner must distribute funds appropriated under this section to regional food banks and Minnesota Tribal governments, as defined in Minnesota Statutes, section 10.65. The commissioner must distribute the funds under this section in accordance with the federal The Emergency Food Assistance Program (TEFAP) formula and the guidelines of the United States Department of Agriculture. The commissioner may increase or decrease a qualifying recipient's proportionate amount if the commissioner determines the increase or decrease is necessary to meet community needs or demands for food in Minnesota. Food banks and Minnesota Tribal governments must be in compliance with TEFAP regulations from the United States Department of Agriculture in order to receive funding under this section, as applicable.

Subd. 3. **Allowable uses of funds.** (a) Grant funds distributed to regional food banks under this section must be used to purchase, transport, and coordinate the distribution of food to TEFAP providers.

(b) Grant funds distributed to Minnesota Tribal governments under this section must be used to purchase, transport, and coordinate the distribution of food to individuals and families in need.

(c) Grant funds distributed under this section may also be used to purchase personal hygiene products, including but not limited to diapers and toilet paper.

(d) Grant funds must cover the handling and delivery fees typically paid by food shelves to food banks to ensure that costs associated with funding under this section are not incurred at the local level.

(e) Grant money distributed under this section must not be used for food bank administrative costs.

Subd. 4. **Reporting.** (a) Food banks and Minnesota Tribal governments receiving grant funds under this section must retain records documenting expenditures of the grant funds and comply with any additional documentation requirements imposed by the commissioner.

(b) Food banks and Minnesota Tribal governments must report on the use of grant funds received under this section to the commissioner. The commissioner must determine the timing and form required for the reports.

Subd. 5. **Ineligible expenditures.** If the commissioner determines that ineligible expenditures were made by a food bank or Minnesota Tribal government under this section, the ineligible amount must be repaid by the food bank or Tribal government to the commissioner and deposited in the general fund.

ARTICLE 10

CHILD PROTECTION AND WELFARE POLICY

Section 1. Minnesota Statutes 2024, section 142B.01, subdivision 15, is amended to read:

Subd. 15. **Individual who is related.** "Individual who is related" means a spouse, a parent, a birth or adopted child or stepchild, a stepparent, a stepbrother, a stepsister, a niece, a nephew, an adoptive parent, a grandparent, a sibling, an aunt, an uncle, or a legal guardian. For purposes of family child foster care, individual who is related also includes an individual who, prior to the child's placement in the individual's home for foster care or adoption, is an important friend of the child or of the child's parent or custodian. Important friend means an individual with whom the child has previously resided or had significant contact or who has a significant relationship to the child or the child's parent or custodian.

Sec. 2. Minnesota Statutes 2024, section 142B.05, subdivision 3, is amended to read:

Subd. 3. **Foster care by an individual who is related to a child; license required.** (a) Notwithstanding subdivision 2, paragraph (a), clause (1), in order to provide foster care for a child, an individual who is related to the child, other than a parent, or legal guardian, must be licensed by the commissioner except as provided by section 142B.06.

(b) If an individual who is related to a child is seeking licensure to provide foster care for the child and the individual has a domestic partner but is not married to the domestic partner, only the individual related to the child must be licensed to provide foster care. The commissioner must conduct background studies on household members according to section 245C.03, subdivision 1.

Sec. 3. Minnesota Statutes 2024, section 142B.47, is amended to read:

142B.47 TRAINING ON RISK OF SUDDEN UNEXPECTED INFANT DEATH AND ABUSIVE HEAD TRAUMA FOR CHILD FOSTER CARE PROVIDERS.

(a) Licensed child foster care providers, except individuals related to the child who only care for a relative child, that care for infants or children through five years of age must document that before caregivers assist in the care of infants or children through five years of age, they the caregivers are instructed on the standards in section 142B.46 and receive training on reducing the risk of sudden unexpected infant death and abusive head trauma from shaking infants and young children. Licensed child foster care providers who are related to the child, and who only care for a relative child, must document completion of the training required under this section within 30 days after licensure. This section does not apply to emergency relative

placement under section 142B.06. The training on reducing the risk of sudden unexpected infant death and abusive head trauma may be provided as:

(1) orientation training to child foster care providers who care for infants or children through five years of age under Minnesota Rules, part 2960.3070, subpart 1; or

(2) in-service training to child foster care providers who care for infants or children through five years of age under Minnesota Rules, part 2960.3070, subpart 2.

(b) Training required under this section must be at least one hour in length and must be completed at least once every five years. At a minimum, the training must address the risk factors related to sudden unexpected infant death and abusive head trauma, means of reducing the risk of sudden unexpected infant death and abusive head trauma, and license holder communication with parents regarding reducing the risk of sudden unexpected infant death and abusive head trauma.

(c) Training for child foster care providers must be approved by the county or private licensing agency that is responsible for monitoring the child foster care provider under section 142B.30. The approved training fulfills, in part, training required under Minnesota Rules, part 2960.3070.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 4. Minnesota Statutes 2024, section 142B.51, subdivision 2, is amended to read:

Subd. 2. **Child passenger restraint systems; training requirement.** (a) Programs licensed by the Department of Human Services under chapter 245A or the Department of Children, Youth, and Families under this chapter and Minnesota Rules, chapter 2960, that serve a child or children under eight years of age must document training that fulfills the requirements in this subdivision.

(b) Before a license holder, staff person, or caregiver transports a child or children under age eight in a motor vehicle, the person transporting the child must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles. Training completed under this section may be used to meet initial or ongoing training under Minnesota Rules, part 2960.3070, subparts 1 and 2.

(c) Training required under this section must be completed at orientation or initial training and repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(d) Training under paragraph (c) must be provided by individuals who are certified and approved by the Office of Traffic Safety within the Department of Public Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

(e) Notwithstanding paragraph (a), for an emergency relative placement under section 142B.06, the commissioner may grant a variance to the training required by this subdivision for a relative who completes a child seat safety check up. The child seat safety check up trainer must be approved by the Department of Public Safety, Office of Traffic Safety, and must provide one-on-one instruction on placing a child of a specific age in the exact child passenger restraint in the motor vehicle in which the child will be transported. Once granted a variance, and if all other licensing requirements are met, the relative applicant may receive a license and may transport a relative foster child younger than eight years of age. A child seat safety check up must be completed each time a child requires a different size car seat according to car seat and vehicle manufacturer guidelines. A relative license holder must complete training that meets the other requirements

of this subdivision prior to placement of another foster child younger than eight years of age in the home or prior to the renewal of the child foster care license.

(f) Notwithstanding paragraph (b), a child foster care license holder who is an individual related to the child and who only serves a relative child must document completion of the training required under this section within 30 days after licensure.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 5. Minnesota Statutes 2024, section 142B.80, is amended to read:

142B.80 CHILD FOSTER CARE TRAINING REQUIREMENT; MENTAL HEALTH TRAINING; FETAL ALCOHOL SPECTRUM DISORDERS TRAINING.

Prior to a nonemergency placement of a child in a foster care home, the child foster care license holder and caregivers in foster family and treatment foster care settings must complete two hours of training that addresses the causes, symptoms, and key warning signs of mental health disorders; cultural considerations; and effective approaches for dealing with a child's behaviors. At least one hour of the annual training requirement for the foster family license holder and caregivers must be on children's mental health issues and treatment. Except for providers and services under chapter 245D and child foster care license holders who are individuals related to the child and who only serve a relative child who does not have fetal alcohol spectrum disorder, the annual training must also include at least one hour of training on fetal alcohol spectrum disorders, which must be counted toward the 12 hours of required in-service training per year. Short-term substitute caregivers are exempt from these requirements. Training curriculum shall be approved by the commissioner of children, youth, and families.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 6. **[142B.81] CHILD FOSTER CARE TRAINING; RELATIVE CAREGIVERS.**

Notwithstanding the required hours under Minnesota Rules, part 2960.3070, subpart 2, a child foster care license holder who is an individual related to the child must complete a minimum of six hours of in-service training per year in one or more of the areas in Minnesota Rules, part 2960.3070, subpart 2, or in other areas as agreed upon by the licensing agency and the foster parent. The relative child foster care license holder must consult with the licensing agency and complete training in areas that are most applicable to caring for the relative children in foster care in the home. This section does not apply to a child foster care license holder who is licensed to care for both a relative child and a nonrelative child.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 7. Minnesota Statutes 2024, section 245C.02, is amended by adding a subdivision to read:

Subd. 16b. **Relative.** "Relative" has the meaning given in section 260C.007, subdivision 27. For purposes of background studies affiliated with child foster care licensure, a person is a relative if the person was known to the child or the child's parent before the child is placed in foster care.

Sec. 8. Minnesota Statutes 2024, section 256.045, subdivision 7, is amended to read:

Subd. 7. **Judicial review.** (a) Except for a prepaid health plan, any party who is aggrieved by an order of the commissioner of human services; the commissioner of health; or the commissioner of children, youth, and families in appeals within the commissioner's jurisdiction under subdivision 3b; or the Direct Care and

Treatment executive board in appeals within the jurisdiction of the executive board under subdivision 5a may appeal the order ~~to the~~ in district court ~~of~~.

(b) A party appealing under this subdivision must file:

(1) in the county responsible for furnishing assistance; ~~or, in~~

(2) for appeals under subdivision 3b;

(i) in the county where the maltreatment occurred; ~~by serving;~~ or

(ii) if the maltreatment occurred in another state or country, in the county where the maltreatment was determined.

(c) A party appealing under this subdivision must (1) serve a written copy of a notice of appeal upon the applicable commissioner or executive board and any adverse party of record within 30 days after the date the commissioner or executive board issued the order, the amended order, or order affirming the original order, and ~~by filing~~ (2) file the original notice and proof of service with the court administrator of the district court. Service may be made personally or by mail; service by mail is complete upon mailing; no filing fee shall be required by the court administrator in appeals taken pursuant to this subdivision, with the exception of appeals taken under subdivision 3b.

(d) The applicable commissioner or executive board may elect to become a party to the proceedings in the district court.

(e) Except for appeals under subdivision 3b, any party may demand that the commissioner or executive board furnish all parties to the proceedings with a copy of the decision, and a transcript of any testimony, evidence, or other supporting papers from the hearing held before the human services judge, by serving a written demand upon the applicable commissioner or executive board within 30 days after service of the notice of appeal.

(f) Any party aggrieved by the failure of an adverse party to obey an order issued by the commissioner or executive board under subdivision 5 or 5a may compel performance according to the order in the manner prescribed in sections 586.01 to 586.12.

Sec. 9. Minnesota Statutes 2024, section 260.65, is amended to read:

260.65 NONCUSTODIAL PARENTS; RELATIVE PLACEMENT.

(a) Prior to the removal of an African American or a disproportionately represented child from the child's home, the responsible social services agency must make active efforts to identify and locate the child's noncustodial or nonadjudicated parent and the child's relatives to notify the child's parent and relatives that the child is or will be placed in foster care; and provide the child's parent and relatives with a list of legal resources. The notice to the child's noncustodial or nonadjudicated parent and relatives must also include the information required under section 260C.221, subdivision 2, paragraph (b). The responsible social services agency must maintain detailed records of the agency's efforts to notify parents and relatives under this section.

(b) Notwithstanding the provisions of section 260C.219, the responsible social services agency must assess an African American or a disproportionately represented child's noncustodial or nonadjudicated parent's ability to care for the child before placing the child in foster care. If a child's noncustodial or nonadjudicated parent is willing and able to provide daily care for the African American or disproportionately

represented child temporarily or permanently, the court shall order ~~that the child be placed in~~ into the home of the noncustodial or nonadjudicated parent pursuant to section 260C.178 or 260C.201, subdivision 1. The responsible social services agency must make active efforts to assist a noncustodial or nonadjudicated parent with remedying any issues that may prevent the child from being ~~placed with the~~ ordered into the home of a noncustodial or nonadjudicated parent.

(c) The relative search, notice, engagement, and placement consideration requirements under section 260C.221 apply under this act.

Sec. 10. Minnesota Statutes 2024, section 260.66, subdivision 1, is amended to read:

Subdivision 1. **Emergency removal or placement permitted.** Nothing in this section shall be construed to prevent the emergency removal of an African American or a disproportionately represented ~~child's parent or custodian~~ child or the emergency placement of the child in a foster setting in order to prevent imminent physical damage or harm to the child.

Sec. 11. Minnesota Statutes 2024, section 260.691, subdivision 1, is amended to read:

Subdivision 1. **Establishment and duties.** (a) The African American Child and Family Well-Being Advisory Council is established for the Department of Children, Youth, and Families.

(b) The council shall consist of 31 members appointed by the commissioner and must include representatives with lived personal or professional experience within African American communities. Members may include but are not limited to youth who have exited the child welfare system; parents; legal custodians; relative and kinship caregivers or foster care providers; community service providers, advocates, and members; county and private social services agency case managers; representatives from faith-based institutions; academic professionals; a representative from the Council for Minnesotans of African Heritage; the Ombudsperson for African American Families; and other individuals with experience and knowledge of African American communities. Council members must be selected through an open appointments process under section 15.0597. The terms, compensation, and removal of council members are governed by section 15.059.

(c) The ~~African American Child Well-Being Advisory~~ council must:

(1) review annual reports related to African American children involved in the child welfare system. These reports may include but are not limited to the maltreatment, out-of-home placement, and permanency of African American children;

(2) assist with and make recommendations to the commissioner for developing strategies to reduce maltreatment determinations, prevent unnecessary out-of-home placement, promote culturally appropriate foster care and shelter or facility placement decisions and settings for African American children in need of out-of-home placement, ensure timely achievement of permanency, and improve child welfare outcomes for African American children and their families;

(3) review summary reports on targeted case reviews prepared by the commissioner to ensure that responsible social services agencies meet the needs of African American children and their families. Based on data collected from those reviews, the council shall assist the commissioner with developing strategies needed to improve any identified child welfare outcomes, including but not limited to maltreatment, out-of-home placement, and permanency for African American children;

(4) ~~assist the Cultural and Ethnic Communities Leadership Council with making~~ make recommendations to the commissioner and the legislature for public policy and statutory changes that specifically consider the needs of African American children and their families involved in the child welfare system;

(5) advise the commissioner on stakeholder engagement strategies and actions that the commissioner and responsible social services agencies may take to improve child welfare outcomes for African American children and their families;

(6) assist the commissioner with developing strategies for public messaging and communication related to racial disproportionality and disparities in child welfare outcomes for African American children and their families;

(7) assist the commissioner with identifying and developing internal and external partnerships to support adequate access to services and resources for African American children and their families, including but not limited to housing assistance, employment assistance, food and nutrition support, health care, child care assistance, and educational support and training; and

(8) assist the commissioner with developing strategies to promote the development of a culturally diverse and representative child welfare workforce in Minnesota that includes professionals who are reflective of the community served and who have been directly impacted by lived experiences within the child welfare system. The council must also assist the commissioner with exploring strategies and partnerships to address education and training needs, hiring, recruitment, retention, and professional advancement practices.

Sec. 12. Minnesota Statutes 2024, section 260.692, is amended to read:

260.692 AFRICAN AMERICAN CHILD AND FAMILY WELL-BEING UNIT.

Subdivision 1. **Duties.** The African American Child and Family Well-Being Unit, currently established by the commissioner, must:

(1) assist with the development of African American cultural competency training and review child welfare curriculum in the Minnesota Child Welfare Training Academy to ensure that responsible social services agency staff and other child welfare professionals are appropriately prepared to engage with African American children and their families and to support family preservation and reunification;

(2) provide technical assistance, including on-site technical assistance, and case consultation to responsible social services agencies to assist agencies with implementing and complying with the Minnesota African American Family Preservation and Child Welfare Disproportionality Act;

(3) monitor individual county and statewide disaggregated and nondisaggregated data to identify trends and patterns in child welfare outcomes, including but not limited to reporting, maltreatment, out-of-home placement, and permanency of African American children and develop strategies to address disproportionality and disparities in the child welfare system;

(4) develop and implement a system for conducting case reviews when the commissioner receives reports of noncompliance with the Minnesota African American Family Preservation and Child Welfare Disproportionality Act or when requested by the parent or custodian of an African American child. Case reviews may include but are not limited to a review of placement prevention efforts, safety planning, case planning and service provision by the responsible social services agency, relative placement consideration, and permanency planning;

(5) establish and administer a request for proposals process for African American and disproportionately represented family preservation grants under section 260.693, monitor grant activities, and provide technical assistance to grantees;

(6) in coordination with the African American Child and Family Well-Being Advisory Council, coordinate services and create internal and external partnerships to support adequate access to services and resources for African American children and their families, including but not limited to housing assistance, employment assistance, food and nutrition support, health care, child care assistance, and educational support and training; and

(7) develop public messaging and communication to inform the public about racial disparities in child welfare outcomes, current efforts and strategies to reduce racial disparities, and resources available to African American children and their families involved in the child welfare system.

Subd. 2. **Case reviews.** (a) The African American Child and Family Well-Being Unit must conduct systemic case reviews to monitor targeted child welfare outcomes, including but not limited to maltreatment, out-of-home placement, and permanency of African American children.

(b) The reviews under this subdivision must be conducted using a random sampling of representative child welfare cases stratified for certain case related factors, including but not limited to case type, maltreatment type, if the case involves out-of-home placement, and other demographic variables. In conducting the reviews, unit staff may use court records and documents, information from the social services information system, and other available case file information to complete the case reviews.

(c) The frequency of the reviews and the number of cases, child welfare outcomes, and selected counties reviewed shall be determined by the unit in consultation with the African American Child and Family Well-Being Advisory Council, with consideration given to the availability of unit resources needed to conduct the reviews.

(d) The unit must monitor all case reviews and use the collective case review information and data to generate summary case review reports, ensure compliance with the Minnesota African American Family Preservation and Child Welfare Disproportionality Act, and identify trends or patterns in child welfare outcomes for African American children.

(e) The unit must review information from members of the public received through the compliance and feedback portal, including policy and practice concerns related to individual child welfare cases. After assessing a case concern, the unit may determine if further necessary action should be taken, which may include coordinating case remediation with other relevant child welfare agencies in accordance with data privacy laws, including the African American Child and Family Well-Being Advisory Council, and offering case consultation and technical assistance to the responsible local social services agency as needed or requested by the agency.

Subd. 3. **Reports.** (a) The African American Child and Family Well-Being Unit must provide regular updates on unit activities, including summary reports of case reviews, to the African American Child and Family Well-Being Advisory Council, and must publish an annual census of African American children in out-of-home placements statewide. The annual census must include data on the types of placements, age and sex of the children, how long the children have been in out-of-home placements, and other relevant demographic information.

(b) The African American Child and Family Well-Being Unit shall gather summary data about the practice and policy inquiries and individual case concerns received through the compliance and feedback

portal under subdivision 2, paragraph (e). The unit shall provide regular reports of the nonidentifying compliance and feedback portal summary data to the African American Child and Family Well-Being Advisory Council to identify child welfare trends and patterns to assist with developing policy and practice recommendations to support eliminating disparity and disproportionality for African American children.

Sec. 13. Minnesota Statutes 2024, section 260C.001, subdivision 2, is amended to read:

Subd. 2. **Juvenile protection proceedings.** (a) The paramount consideration in all juvenile protection proceedings is the health, safety, and best interests of the child. In proceedings involving an American Indian child, as defined in section 260.755, subdivision 8, the best interests of the child must be determined consistent with sections 260.751 to 260.835 and the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923.

(b) The purpose of the laws relating to juvenile protection proceedings is:

(1) to secure for each child under the jurisdiction of the court, the care and guidance, preferably in the child's own home, as will best serve the spiritual, emotional, mental, and physical welfare of the child;

(2) to provide judicial procedures that protect the welfare of the child;

(3) to preserve and strengthen the child's family ties whenever possible and in the child's best interests, removing the child from the custody of parents only when the child's welfare or safety cannot be adequately safeguarded without removal;

(4) to ensure that when removal from the child's own family is necessary and in the child's best interests, the responsible social services agency has legal responsibility for the child removal either:

(i) pursuant to a voluntary placement agreement between the child's parent or guardian or the child, when the child is over age 18, and the responsible social services agency; or

(ii) by court order pursuant to section 260C.151, subdivision 6; 260C.178; 260C.201; 260C.325; or 260C.515;

(5) to ensure that, when placement is pursuant to court order, the court order removing the child or continuing the child in foster care contains an individualized determination that placement is in the best interests of the child that coincides with the actual removal of the child;

(6) to ensure that when the child is removed, the child's care and discipline is, as nearly as possible, equivalent to that which should have been given by the parents and is either in:

(i) the home of a noncustodial parent pursuant to section 260C.178 or 260C.201, subdivision 1, paragraph (a), clause (1);

(ii) the home of a relative pursuant to emergency placement by the responsible social services agency under chapter 245A; or

(iii) foster care licensed under chapter 245A; and

(7) to ensure appropriate permanency planning for children in foster care including:

(i) unless reunification is not required under section 260.012, developing a permanency plan for the child that includes a primary plan for reunification with the child's parent or guardian and a secondary plan

for an alternative, legally permanent home for the child in the event reunification cannot be achieved in a timely manner;

(ii) identifying, locating, and assessing both parents of the child as soon as possible and offering reunification services to both parents of the child as required under sections 260.012 and 260C.219;

(iii) inquiring about the child's heritage, including the child's Tribal lineage pursuant to section 260.761, and the child's race, culture, and ethnicity pursuant to section 260.63, subdivision 10;

~~(iii)~~ (iv) identifying, locating, and notifying relatives of both parents of the child according to section 260C.221;

~~(iv)~~ (v) making a placement with a family that will commit to being the legally permanent home for the child in the event reunification cannot occur at the earliest possible time while at the same time actively supporting the reunification plan; and

~~(v)~~ (vi) returning the child home with supports and services, as soon as return is safe for the child, or when safe return cannot be timely achieved, moving to finalize another legally permanent home for the child.

Sec. 14. Minnesota Statutes 2024, section 260C.007, subdivision 19, is amended to read:

Subd. 19. **Habitual truant.** "Habitual truant" means a child ~~under the age of 17~~ who is at least 12 years old and less than 18 years old who is absent from attendance at school without lawful excuse ~~for seven school days per school year if the child is in elementary school or~~ for one or more class periods on seven school days per school year if the child is in middle school, junior high school, or high school or a child who is 17 years of age who is absent from attendance at school without lawful excuse for one or more class periods on seven school days per school year and who has not lawfully withdrawn from school under section 120A.22, subdivision 8. Pursuant to section 260C.163, subdivision 11, habitual truant also means a child under age 12 who has been absent from school for seven school days without lawful excuse, based on a showing by clear and convincing evidence that the child's absence is not due to the failure of the child's parent, guardian, or custodian to comply with compulsory instruction laws.

Sec. 15. Minnesota Statutes 2024, section 260C.141, subdivision 1, is amended to read:

Subdivision 1. **Who may file; required form.** (a) Any reputable person, including but not limited to any agent of the commissioner of children, youth, and families, having knowledge of a child in this state or of a child who is a resident of this state, who appears to be in need of protection or services or neglected and in foster care, may petition the juvenile court in the manner provided in this section.

(b) A petition for a child in need of protection filed by an individual who is not a county attorney or an agent of the commissioner of children, youth, and families shall be filed on a form developed by the state court administrator and provided to court administrators. Copies of the form may be obtained from the court administrator in each county. The court administrator shall review the petition before it is filed to determine that it is completed. The court administrator may reject the petition if it does not indicate that the petitioner has contacted the responsible social services agency.

An individual may file a petition under this subdivision without seeking internal review of the responsible social services agency's decision. The court shall determine whether there is probable cause to believe that a need for protection or services exists before the matter is set for hearing. If the matter is set for hearing,

the court administrator shall notify the responsible social services agency by sending notice to the county attorney.

The petition must contain:

(1) a statement of facts that would establish, if proven, that there is a need for protection or services for the child named in the petition;

(2) a statement that petitioner has reported the circumstances underlying the petition to the responsible social services agency, and protection or services were not provided to the child;

(3) a statement whether there are existing juvenile or family court custody orders or pending proceedings in juvenile or family court concerning the child; ~~and~~

(4) a statement of the relationship of the petitioner to the child and any other parties-; and

(5) a statement whether the petitioner has inquired of the parent or parents of the child, the child, and relatives about the child's heritage, including the child's Tribal lineage pursuant to section 260.761 and the child's race, culture, and ethnicity pursuant to section 260.63, subdivision 10.

The court may not allow a petition to proceed under this paragraph if it appears that the sole purpose of the petition is to modify custody between the parents.

Sec. 16. Minnesota Statutes 2024, section 260C.150, subdivision 3, is amended to read:

Subd. 3. **Identifying parents of child; diligent efforts; data.** (a) The responsible social services agency shall make diligent efforts to inquire about the child's heritage, including the child's Tribal lineage pursuant to section 260.761 and the child's race, culture, and ethnicity pursuant to section 260.63, subdivision 10, and to identify and locate both parents of any child who is the subject of proceedings under this chapter. Diligent efforts include:

(1) asking the custodial or known parent to identify any nonresident parent of the child and provide information that can be used to verify the nonresident parent's identity including the dates and locations of marriages and divorces; dates and locations of any legal proceedings regarding paternity; date and place of the child's birth; nonresident parent's full legal name; nonresident parent's date of birth, or if the nonresident parent's date of birth is unknown, an approximate age; the nonresident parent's Social Security number; the nonresident parent's whereabouts including last known whereabouts; and the whereabouts of relatives of the nonresident parent. For purposes of this subdivision, "nonresident parent" means a parent who does not reside in the same household as the child or did not reside in the same household as the child at the time the child was removed when the child is in foster care;

(2) obtaining information that will identify and locate the nonresident parent from the county and state of Minnesota child support enforcement information system;

(3) requesting a search of the Minnesota Fathers' Adoption Registry 30 days after the child's birth; and

(4) using any other reasonable means to identify and locate the nonresident parent.

(b) The agency may disclose data which is otherwise private under section 13.46 or chapter 260E in order to carry out its duties under this subdivision.

(c) Upon the filing of a petition alleging the child to be in need of protection or services, the responsible social services agency may contact a putative father who registered with the Minnesota Fathers' Adoption

Registry more than 30 days after the child's birth. The social service agency may consider a putative father for the day-to-day care of the child under section 260C.219 if the putative father cooperates with genetic testing and there is a positive test result under section 257.62, subdivision 5. Nothing in this paragraph:

(1) relieves a putative father who registered with the Minnesota Fathers' Adoption Registry more than 30 days after the child's birth of the duty to cooperate with paternity establishment proceedings under section 260C.219;

(2) gives a putative father who registered with the Minnesota Fathers' Adoption Registry more than 30 days after the child's birth the right to notice under section 260C.151 unless the putative father is entitled to notice under sections 259.24 and 259.49, subdivision 1, paragraph (a) or (b), clauses (1) to (7); or

(3) establishes a right to assert an interest in the child in a termination of parental rights proceeding contrary to section 259.52, subdivision 6, unless the putative father is entitled to notice under sections 259.24 and 259.49, subdivision 1, paragraph (a) or (b), clauses (1) to (7).

Sec. 17. Minnesota Statutes 2024, section 260C.178, subdivision 1, as amended by Laws 2025, chapter 20, section 218, is amended to read:

Subdivision 1. **Hearing and release requirements.** (a) If a child was taken into custody under section 260C.175, subdivision 1, clause (1) or (2), item (ii), the court shall hold a hearing within 72 hours of the time that the child was taken into custody, excluding Saturdays, Sundays, and holidays, to determine whether the child should continue to be in custody.

(b) Unless there is reason to believe that the child would endanger self or others or not return for a court hearing, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian, or other suitable person, subject to reasonable conditions of release including, but not limited to, a requirement that the child undergo a chemical use assessment as provided in section 260C.157, subdivision 1.

(c) If the court determines that there is reason to believe that the child would endanger self or others or not return for a court hearing, or that the child's health or welfare would be immediately endangered if returned to the care of the parent or guardian who has custody and from whom the child was removed, the court shall order the child:

(1) into the care of the child's noncustodial parent and order the noncustodial parent to comply with any conditions that the court determines appropriate to ensure the safety and care of the child, including requiring the noncustodial parent to cooperate with paternity establishment proceedings if the noncustodial parent has not been adjudicated the child's father; or

(2) into foster care as defined in section 260C.007, subdivision 18, under the legal responsibility of the responsible social services agency or responsible probation or corrections agency for the purposes of protective care as that term is used in the juvenile court rules. The court shall not give the responsible social services legal custody and order a trial home visit at any time prior to adjudication and disposition under section 260C.201, subdivision 1, paragraph (a), clause (3), but may order the child returned to the care of the parent or guardian who has custody and from whom the child was removed and order the parent or guardian to comply with any conditions the court determines to be appropriate to meet the safety, health, and welfare of the child.

(d) In determining whether the child's health or welfare would be immediately endangered, the court shall consider whether the child would reside with a perpetrator of domestic child abuse.

(e) The court, before determining whether a child should be placed in or continue in foster care under the protective care of the responsible agency, shall also make a determination, consistent with section 260.012 as to whether reasonable efforts were made to prevent placement or whether reasonable efforts to prevent placement are not required. In the case of an Indian child, the court shall determine whether active efforts, according to section 260.762 and the Indian Child Welfare Act of 1978, United States Code, title 25, section 1912(d), were made to prevent placement. The court shall enter a finding that the responsible social services agency has made reasonable efforts to prevent placement when the agency establishes either:

(1) that the agency has actually provided services or made efforts in an attempt to prevent the child's removal but that such services or efforts have not proven sufficient to permit the child to safely remain in the home; or

(2) that there are no services or other efforts that could be made at the time of the hearing that could safely permit the child to remain home or to return home. The court shall not make a reasonable efforts determination under this clause unless the court is satisfied that the agency has sufficiently demonstrated to the court that there were no services or other efforts that the agency was able to provide at the time of the hearing enabling the child to safely remain home or to safely return home. When reasonable efforts to prevent placement are required and there are services or other efforts that could be ordered that would permit the child to safely return home, the court shall order the child returned to the care of the parent or guardian and the services or efforts put in place to ensure the child's safety. When the court makes a prima facie determination that one of the circumstances under paragraph (h) exists, the court shall determine that reasonable efforts to prevent placement and to return the child to the care of the parent or guardian are not required.

(f) If the court finds the social services agency's preventive or reunification efforts have not been reasonable but further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

(g) The court may not order or continue the foster care placement of the child unless the court makes explicit, individualized findings that continued custody of the child by the parent or guardian would be contrary to the welfare of the child and that placement is in the best interest of the child.

(h) At the emergency removal hearing, or at any time during the course of the proceeding, and upon notice and request of the county attorney, the court shall determine whether a petition has been filed stating a prima facie case that:

(1) the parent has subjected a child to egregious harm as defined in section 260C.007, subdivision 14;

(2) the parental rights of the parent to another child have been involuntarily terminated;

(3) the child is an abandoned infant under section 260C.301, subdivision 2, paragraph (a), clause (2);

(4) the parents' custodial rights to another child have been involuntarily transferred to a relative under a juvenile protection proceeding or a similar process of another jurisdiction;

(5) the parent has committed sexual abuse as defined in section 260E.03, against the child or another child of the parent;

(6) the parent has committed an offense that requires registration as a predatory offender under section 243.166, subdivision 1b, paragraph (a) or (b); or

(7) the provision of services or further services for the purpose of reunification is futile and therefore unreasonable.

(i) When a petition to terminate parental rights is required under section 260C.301, subdivision 4, or 260C.503, subdivision 2, but the county attorney has determined not to proceed with a termination of parental rights petition, and has instead filed a petition to transfer permanent legal and physical custody to a relative under section 260C.507, the court shall schedule a permanency hearing within 30 days of the filing of the petition.

(j) If the county attorney has filed a petition under section 260C.307, the court shall schedule a trial under section 260C.163 within 90 days of the filing of the petition except when the county attorney determines that the criminal case shall proceed to trial first under section 260C.503, subdivision 2, paragraph (c).

(k) If the court determines the child should be ordered into foster care ~~and~~, the court shall inquire about the child's heritage, including the child's Tribal lineage pursuant to section 260.761; the child's race, culture, and ethnicity pursuant to section 260.63, subdivision 10; and the responsible social services agency's initial relative search efforts. If the child's parent refuses to give information to the responsible social services agency regarding the child's father or relatives of the child, the court may order the parent to disclose the names, addresses, telephone numbers, and other identifying information to the responsible social services agency for the purpose of complying with sections 260C.150, 260C.151, 260C.212, 260C.215, 260C.219, and 260C.221.

(l) If a child ordered into foster care has siblings, whether full, half, or step, who are also ordered into foster care, the court shall inquire of the responsible social services agency of the efforts to place the children together as required by section 260C.212, subdivision 2, paragraph (d), if placement together is in each child's best interests, unless a child is in placement for treatment or a child is placed with a previously noncustodial parent who is not a parent to all siblings. If the children are not placed together at the time of the hearing, the court shall inquire at each subsequent hearing of the agency's reasonable efforts to place the siblings together, as required under section 260.012. If any sibling is not placed with another sibling or siblings, the agency must develop a plan to facilitate visitation or ongoing contact among the siblings as required under section 260C.212, subdivision 1, unless it is contrary to the safety or well-being of any of the siblings to do so.

(m) When the court has ordered the child into the care of a noncustodial parent or in foster care, the court may order a chemical dependency evaluation, mental health evaluation, medical examination, and parenting assessment for the parent as necessary to support the development of a plan for reunification required under subdivision 7 and section 260C.212, subdivision 1, or the child protective services plan under section 260E.26, and Minnesota Rules, part 9560.0228.

(n) When the court has ordered an Indian child into an emergency child placement, the Indian child shall be placed according to the placement preferences in the Minnesota Indian Family Preservation Act, section 260.773.

Sec. 18. Minnesota Statutes 2024, section 260C.201, subdivision 1, as amended by Laws 2025, chapter 38, article 8, section 75, is amended to read:

Subdivision 1. **Dispositions.** (a) If the court finds that the child is in need of protection or services or neglected and in foster care, the court shall enter an order making any of the following dispositions of the case:

(1) place the child under the protective supervision of the responsible social services agency or child-placing agency in the home of a parent of the child under conditions prescribed by the court directed to the correction of the child's need for protection or services:

(i) the court may order the child into the home of a parent who does not otherwise have legal custody of the child, however, an order under this section does not confer legal custody on that parent;

(ii) if the court orders the child into the home of a father who is not adjudicated, the father must cooperate with paternity establishment proceedings regarding the child in the appropriate jurisdiction as one of the conditions prescribed by the court for the child to continue in the father's home; and

(iii) the court may order the child into the home of a noncustodial parent with conditions and may also order both the noncustodial and the custodial parent to comply with the requirements of a case plan under subdivision 2; ~~or~~

(2) transfer legal custody to one of the following:

(i) a child-placing agency; or

(ii) the responsible social services agency. In making a foster care placement of a child whose custody has been transferred under this subdivision, the court shall inquire about the child's heritage, including the child's Tribal lineage pursuant to section 260.761 and the child's race, culture, and ethnicity pursuant to section 260.63, subdivision 10, and the agency shall make an individualized determination of how the placement is in the child's best interests using the placement consideration order for relatives and the best interest factors in section 260C.212, subdivision 2, and may include a child colocated with a parent in a licensed residential family-based substance use disorder treatment program under section 260C.190; ~~or~~

(3) order a trial home visit without modifying the transfer of legal custody to the responsible social services agency under clause (2). Trial home visit means the child is returned to the care of the parent or guardian from whom the child was removed for a period not to exceed six months. During the period of the trial home visit, the responsible social services agency:

(i) shall continue to have legal custody of the child, which means that the agency may see the child in the parent's home, at school, in a child care facility, or other setting as the agency deems necessary and appropriate;

(ii) shall continue to have the ability to access information under section 260C.208;

(iii) shall continue to provide appropriate services to both the parent and the child during the period of the trial home visit;

(iv) without previous court order or authorization, may terminate the trial home visit in order to protect the child's health, safety, or welfare and may remove the child to foster care;

(v) shall advise the court and parties within three days of the termination of the trial home visit when a visit is terminated by the responsible social services agency without a court order; and

(vi) shall prepare a report for the court when the trial home visit is terminated whether by the agency or court order that describes the child's circumstances during the trial home visit and recommends appropriate orders, if any, for the court to enter to provide for the child's safety and stability. In the event a trial home visit is terminated by the agency by removing the child to foster care without prior court order or authorization, the court shall conduct a hearing within ten days of receiving notice of the termination of the trial home visit by the agency and shall order disposition under this subdivision or commence permanency proceedings

under sections 260C.503 to 260C.515. The time period for the hearing may be extended by the court for good cause shown and if it is in the best interests of the child as long as the total time the child spends in foster care without a permanency hearing does not exceed 12 months;

(4) if the child has been adjudicated as a child in need of protection or services because the child is in need of special services or care to treat or ameliorate a physical or mental disability or a mental illness as defined in section 245.4871, subdivision 15, the court may order the child's parent, guardian, or custodian to provide it. The court may order the child's health plan company to provide mental health services to the child. Section 62Q.535 applies to an order for mental health services directed to the child's health plan company. If the health plan, parent, guardian, or custodian fails or is unable to provide this treatment or care, the court may order it provided. Absent specific written findings by the court that the child's disability is the result of abuse or neglect by the child's parent or guardian, the court shall not transfer legal custody of the child for the purpose of obtaining special treatment or care solely because the parent is unable to provide the treatment or care. If the court's order for mental health treatment is based on a diagnosis made by a treatment professional, the court may order that the diagnosing professional not provide the treatment to the child if it finds that such an order is in the child's best interests; or

(5) if the court believes that the child has sufficient maturity and judgment and that it is in the best interests of the child, the court may order a child 16 years old or older to be allowed to live independently, either alone or with others as approved by the court under supervision the court considers appropriate, if the county board, after consultation with the court, has specifically authorized this dispositional alternative for a child.

(b) If the child was adjudicated in need of protection or services because the child is a runaway or habitual truant, the court may order any of the following dispositions in addition to or as alternatives to the dispositions authorized under paragraph (a):

(1) counsel the child or the child's parents, guardian, or custodian;

(2) place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court, including reasonable rules for the child's conduct and the conduct of the parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child;

(3) subject to the court's supervision, transfer legal custody of the child to one of the following:

(i) a reputable person of good moral character. No person may receive custody of two or more unrelated children unless licensed to operate a residential program under sections 245A.01 to 245A.16; or

(ii) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(4) require the child to pay a fine of up to \$100. The court shall order payment of the fine in a manner that will not impose undue financial hardship upon the child;

(5) require the child to participate in a community service project;

(6) order the child to undergo a chemical dependency evaluation and, if warranted by the evaluation, order participation by the child in a drug awareness program or an inpatient or outpatient chemical dependency treatment program;

(7) if the court believes that it is in the best interests of the child or of public safety that the child's driver's license or instruction permit be canceled, the court may order the commissioner of public safety to cancel the child's license or permit for any period up to the child's 18th birthday. If the child does not have a driver's license or permit, the court may order a denial of driving privileges for any period up to the child's 18th birthday. The court shall forward an order issued under this clause to the commissioner, who shall cancel the license or permit or deny driving privileges without a hearing for the period specified by the court. At any time before the expiration of the period of cancellation or denial, the court may, for good cause, order the commissioner of public safety to allow the child to apply for a license or permit, and the commissioner shall so authorize;

(8) order that the child's parent or legal guardian deliver the child to school at the beginning of each school day for a period of time specified by the court; or

(9) require the child to perform any other activities or participate in any other treatment programs deemed appropriate by the court.

To the extent practicable, the court shall enter a disposition order the same day it makes a finding that a child is in need of protection or services or neglected and in foster care, but in no event more than 15 days after the finding unless the court finds that the best interests of the child will be served by granting a delay. If the child was under eight years of age at the time the petition was filed, the disposition order must be entered within ten days of the finding and the court may not grant a delay unless good cause is shown and the court finds the best interests of the child will be served by the delay.

(c) If a child who is 14 years of age or older is adjudicated in need of protection or services because the child is a habitual truant and truancy procedures involving the child were previously dealt with by a school attendance review board or county attorney mediation program under section 260A.06 or 260A.07, the court shall order a cancellation or denial of driving privileges under paragraph (b), clause (7), for any period up to the child's 18th birthday.

(d) In the case of a child adjudicated in need of protection or services because the child has committed domestic abuse and been ordered excluded from the child's parent's home, the court shall dismiss jurisdiction if the court, at any time, finds the parent is able or willing to provide an alternative safe living arrangement for the child as defined in paragraph (f).

(e) When a parent has complied with a case plan ordered under subdivision 6 and the child is in the care of the parent, the court may order the responsible social services agency to monitor the parent's continued ability to maintain the child safely in the home under such terms and conditions as the court determines appropriate under the circumstances.

(f) For the purposes of this subdivision, "alternative safe living arrangement" means a living arrangement for a child proposed by a petitioning parent or guardian if a court excludes the minor from the parent's or guardian's home that is separate from the victim of domestic abuse and safe for the child respondent. A living arrangement proposed by a petitioning parent or guardian is presumed to be an alternative safe living arrangement absent information to the contrary presented to the court. In evaluating any proposed living arrangement, the court shall consider whether the arrangement provides the child with necessary food, clothing, shelter, and education in a safe environment. Any proposed living arrangement that would place the child in the care of an adult who has been physically or sexually violent is presumed unsafe.

Sec. 19. Minnesota Statutes 2024, section 260C.201, subdivision 2, as amended by Laws 2025, chapter 38, article 8, section 76, is amended to read:

Subd. 2. **Written findings.** (a) Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition and case plan ordered and shall also set forth in writing the following information:

- (1) why the best interests and safety of the child are served by the disposition and case plan ordered;
- (2) what alternative dispositions or services under the case plan were considered by the court and why such dispositions or services were not appropriate in the instant case;
- (3) when legal custody of the child is transferred, the appropriateness of the particular placement made or to be made by the placing agency using the relative and sibling placement considerations and best interest factors in section 260C.212, subdivision 2, or the appropriateness of a child colocated with a parent in a licensed residential family-based substance use disorder treatment program under section 260C.190;
- (4) whether reasonable efforts to finalize the permanent plan for the child consistent with section 260.012 were made including reasonable efforts:
 - (i) to prevent the child's placement and to reunify the child with the parent or guardian from whom the child was removed at the earliest time consistent with the child's safety. The court's findings must include a brief description of what preventive and reunification efforts were made and why further efforts could not have prevented or eliminated the necessity of removal or that reasonable efforts were not required under section 260.012 or 260C.178, subdivision 1;
 - (ii) to identify and locate any noncustodial or nonresident parent of the child and to assess such parent's ability to provide day-to-day care of the child, and, where appropriate, provide services necessary to enable the noncustodial or nonresident parent to safely provide day-to-day care of the child as required under section 260C.219, unless such services are not required under section 260.012 or 260C.178, subdivision 1. The court's findings must include a description of the agency's efforts to:
 - (A) identify and locate the child's noncustodial or nonresident parent;
 - (B) assess the noncustodial or nonresident parent's ability to provide day-to-day care of the child; and
 - (C) if appropriate, provide services necessary to enable the noncustodial or nonresident parent to safely provide the child's day-to-day care, including efforts to engage the noncustodial or nonresident parent in assuming care and responsibility of the child;
 - (iii) to inquire about the child's heritage, including the child's Tribal lineage pursuant to section 260.761 and the child's race, culture, and ethnicity pursuant to section 260.63, subdivision 10, and make the diligent search for relatives and provide the notices required under section 260C.221; a finding made pursuant to a hearing under section 260C.202 that the agency has made diligent efforts to conduct a relative search and has appropriately engaged relatives who responded to the notice under section 260C.221 and other relatives, who came to the attention of the agency after notice under section 260C.221 was sent, in placement and case planning decisions fulfills the requirement of this item;
 - (iv) to identify and make a foster care placement of the child, considering the order in section 260C.212, subdivision 2, paragraph (a), in the home of an unlicensed relative, according to the requirements of section 142B.06, a licensed relative, or other licensed foster care provider, who will commit to being the permanent legal parent or custodian for the child in the event reunification cannot occur, but who will actively support

the reunification plan for the child. If the court finds that the agency has not appropriately considered relatives for placement of the child, the court shall order the agency to comply with section 260C.212, subdivision 2, paragraph (a). The court may order the agency to continue considering relatives for placement of the child regardless of the child's current placement setting; and

(v) to place siblings together in the same home or to ensure visitation is occurring when siblings are separated in foster care placement and visitation is in the siblings' best interests under section 260C.212, subdivision 2, paragraph (d); and

(5) if the child has been adjudicated as a child in need of protection or services because the child is in need of special services or care to treat or ameliorate a mental disability or a mental illness as defined in section 245.4871, subdivision 15, the written findings shall also set forth:

(i) whether the child has mental health needs that must be addressed by the case plan;

(ii) what consideration was given to the diagnostic and functional assessments performed by the child's mental health professional and to health and mental health care professionals' treatment recommendations;

(iii) what consideration was given to the requests or preferences of the child's parent or guardian with regard to the child's interventions, services, or treatment; and

(iv) what consideration was given to the cultural appropriateness of the child's treatment or services.

(b) If the court finds that the social services agency's preventive or reunification efforts have not been reasonable but that further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

(c) If the child has been identified by the responsible social services agency as the subject of concurrent permanency planning, the court shall review the reasonable efforts of the agency to develop a permanency plan for the child that includes a primary plan that is for reunification with the child's parent or guardian and a secondary plan that is for an alternative, legally permanent home for the child in the event reunification cannot be achieved in a timely manner.

Sec. 20. Minnesota Statutes 2024, section 260C.202, subdivision 2, is amended to read:

Subd. 2. **Court review for a child placed in foster care.** (a) If the court orders a child placed in foster care, the court shall review the out-of-home placement plan and the child's placement at least every 90 days as required in juvenile court rules to determine whether continued out-of-home placement is necessary and appropriate or whether the child should be returned home.

(b) This review is not required if the court has returned the child home, ordered the child permanently placed away from the parent under sections 260C.503 to 260C.521, or terminated rights under section 260C.301. Court review for a child permanently placed away from a parent, including where the child is under guardianship of the commissioner, is governed by section 260C.607.

(c) When a child is placed in a qualified residential treatment program setting as defined in section 260C.007, subdivision 26d, the responsible social services agency must submit evidence to the court as specified in section 260C.712.

(d) No later than three months after the child's placement in foster care, the court shall review agency efforts to search for and notify relatives pursuant to section 260C.221, and order that the agency's efforts begin immediately, or continue, if the agency has failed to perform, or has not adequately performed, the

duties under that section. The court must order the agency to continue to appropriately engage relatives who responded to the notice under section 260C.221 in placement and case planning decisions and to consider relatives for foster care placement consistent with section 260C.221. Notwithstanding a court's finding that the agency has made reasonable efforts to search for and notify relatives under section 260C.221, the court may order the agency to continue making reasonable efforts to search for, notify, engage, and consider relatives who came to the agency's attention after sending the initial notice under section 260C.221.

(e) The court shall review the out-of-home placement plan and may modify the plan as provided under section 260C.201, subdivisions 6 and 7.

(f) When the court transfers the custody of a child to a responsible social services agency resulting in foster care or protective supervision with a noncustodial parent under subdivision 1, the court shall notify the parents of the provisions of sections 260C.204 and 260C.503 to 260C.521, as required under juvenile court rules.

~~(g) When a child remains in or returns to foster care pursuant to section 260C.451 and the court has jurisdiction pursuant to section 260C.193, subdivision 6, paragraph (e), the court shall at least annually conduct the review required under section 260C.203.~~

Sec. 21. Minnesota Statutes 2024, section 260C.202, is amended by adding a subdivision to read:

Subd. 3. Court review prior to the 18th birthday of a child in foster care. (a) The court must conduct a review during the 90-day period prior to the 18th birthday of a child in foster care.

(b) The responsible social services agency must file a written report with the court containing or attaching the following:

(1) the child's name, date of birth, race, gender, and current address;

(2) whether the child is eligible for extended foster care and if not, the reason or reasons why the child is not eligible;

(3) a written summary describing how the child was involved in creating the child's plan for after their 18th birthday;

(4) the date the required extended foster care eligibility notice in section 260C.451, subdivision 1, was provided and the child's plan after the child's 18th birthday;

(5) the child's most recent independent living plan required under section 260C.212, subdivision 1;

(6) if the agency's recommendation is to extend jurisdiction up to age 19 under section 260C.193, why the extended jurisdiction is in the child's best interest;

(7) if the agency's recommendation is to reunify the child with their parent or legal guardian, why reunification is in the child's best interest;

(8) if the agency plans to transition the child into adult services on or after the child's 18th birthday, a summary of the transition plan as required in section 260C.452 and how this plan is in the child's best interest; and

(9) if the child's plan is to leave foster care at age 18 and not continue in extended foster care, a copy of their 180-day transition plan required in section 260C.452 and the reasons the child is not continuing in extended foster care.

(c) The agency must inform the child and parties to the proceeding of the reporting and court review requirements of this subdivision and their right to request a hearing. The child or a party to the proceeding may request a hearing if they believe the agency did not make reasonable efforts under this subdivision.

(d) Upon receiving the report, the court must hold a hearing when a party to the proceeding or the child requests a hearing. In all other circumstances, the court has the discretion to hold a hearing or issue an order without a hearing.

(e) The court must issue an order with findings including but not limited to the following:

(1) whether the responsible social services agency provided the notice to the child about extended foster care as required in section 260C.451;

(2) whether the responsible social services agency engaged with the child and appropriately planned with the child to transition to adulthood; and

(3) if the child has decided to not continue in the extended foster care program at age 18, whether the responsible social services agency informed the child that they can reenter extended foster care up to age 21 or that the child is not eligible to reenter and why.

Sec. 22. Minnesota Statutes 2024, section 260C.202, is amended by adding a subdivision to read:

Subd. 4. **Court reviews for a child over age 18 in foster care.** When a child remains in or returns to foster care pursuant to section 260C.451 and the court has jurisdiction pursuant to section 260C.193, subdivision 6, paragraph (c), the court must at least annually conduct the review required under section 260C.203.

Sec. 23. Minnesota Statutes 2024, section 260C.204, is amended to read:

260C.204 PERMANENCY PROGRESS REVIEW FOR CHILDREN IN FOSTER CARE FOR SIX MONTHS.

(a) When a child continues in placement out of the home of the parent or guardian from whom the child was removed, no later than six months after the child's placement the court shall conduct a permanency progress hearing to review:

(1) the progress of the case, the parent's progress on the case plan or out-of-home placement plan, whichever is applicable;

(2) the agency's reasonable, or in the case of an Indian child, active efforts for reunification and its provision of services;

(3) the agency's reasonable efforts to finalize the permanent plan for the child under section 260.012, paragraph (e), and to make a placement as required under section 260C.212, subdivision 2, in a home that will commit to being the legally permanent family for the child in the event the child cannot return home according to the timelines in this section; and

(4) in the case of an Indian child, active efforts to prevent the breakup of the Indian family and to make a placement according to the placement preferences under United States Code, title 25, chapter 21, section 1915.

(b) When a child is placed in a qualified residential treatment program setting as defined in section 260C.007, subdivision 26d, the responsible social services agency must submit evidence to the court as specified in section 260C.712.

(c) The court shall ensure that notice of the hearing is sent to any relative who:

(1) responded to the agency's notice provided under section 260C.221, indicating an interest in participating in planning for the child or being a permanency resource for the child and who has kept the court apprised of the relative's address; or

(2) asked to be notified of court proceedings regarding the child as is permitted in section 260C.152, subdivision 5.

(d)(1) If the parent or guardian has maintained contact with the child and is complying with the court-ordered out-of-home placement plan, and if the child would benefit from reunification with the parent, the court may either:

(i) return the child home, if the conditions that led to the out-of-home placement have been sufficiently mitigated that it is safe and in the child's best interests to return home; or

(ii) continue the matter up to a total of six additional months. If the child has not returned home by the end of the additional six months, the court must conduct a hearing according to sections 260C.503 to 260C.521.

(2) If the court determines that the parent or guardian is not complying, is not making progress with or engaging with services in the out-of-home placement plan, or is not maintaining regular contact with the child as outlined in the visitation plan required as part of the out-of-home placement plan under section 260C.212, the court may order the responsible social services agency:

(i) to develop a plan for legally permanent placement of the child away from the parent;

(ii) to consider, identify, recruit, and support one or more permanency resources from the child's relatives and foster parent, consistent with clause (3) and section 260C.212, subdivision 2, paragraph (a), to be the legally permanent home in the event the child cannot be returned to the parent. Any relative or the child's foster parent may ask the court to order the agency to consider them for permanent placement of the child in the event the child cannot be returned to the parent. A relative or foster parent who wants to be considered under this item shall cooperate with the background study required under section 245C.08, if the individual has not already done so, and with the home study process required under chapter 142B for providing child foster care and for adoption under section 259.41. The home study referred to in this item shall be a single-home study in the form required by the commissioner of children, youth, and families or similar study required by the individual's state of residence when the subject of the study is not a resident of Minnesota. The court may order the responsible social services agency to make a referral under the Interstate Compact on the Placement of Children when necessary to obtain a home study for an individual who wants to be considered for transfer of permanent legal and physical custody or adoption of the child; and

(iii) to file a petition to support an order for the legally permanent placement plan.

(3) Consistent with section 260C.223, subdivision 2, paragraph (b), the responsible social services agency must not define a foster family as the permanent home for a child until:

(i) inquiry and Tribal notice requirements under section 260.761, subdivisions 1 and 2, are satisfied;

(ii) inquiry about the child's heritage, including the child's race, culture, and ethnicity pursuant to section 260.63, subdivision 10, has been completed; and

(iii) the court has determined that reasonable or active efforts toward completing the relative search requirements in section 260C.221 have been made.

(e) Following the review under this section:

(1) if the court has either returned the child home or continued the matter up to a total of six additional months, the agency shall continue to provide services to support the child's return home or to make reasonable efforts to achieve reunification of the child and the parent as ordered by the court under an approved case plan;

(2) if the court orders the agency to develop a plan for the transfer of permanent legal and physical custody of the child to a relative, a petition supporting the plan shall be filed in juvenile court within 30 days of the hearing required under this section and a trial on the petition held within 60 days of the filing of the pleadings; or

(3) if the court orders the agency to file a termination of parental rights, unless the county attorney can show cause why a termination of parental rights petition should not be filed, a petition for termination of parental rights shall be filed in juvenile court within 30 days of the hearing required under this section and a trial on the petition held within 60 days of the filing of the petition.

Sec. 24. Minnesota Statutes 2024, section 260C.221, subdivision 2, is amended to read:

Subd. 2. **Relative notice requirements.** (a) The agency may provide oral or written notice to a child's relatives. In the child's case record, the agency must document providing the required notice to each of the child's relatives. The responsible social services agency must notify relatives:

(1) of the need for a foster home for the child, the option to become a placement resource for the child, the order of placement that the agency will consider under section 260C.212, subdivision 2, paragraph (a), and the possibility of the need for a permanent placement for the child;

(2) of their responsibility to keep the responsible social services agency and the court informed of their current address in order to receive notice in the event that a permanent placement is sought for the child and to receive notice of the permanency progress review hearing under section 260C.204. A relative who fails to provide a current address to the responsible social services agency and the court forfeits the right to receive notice of the possibility of permanent placement and of the permanency progress review hearing under section 260C.204, until the relative provides a current address to the responsible social services agency and the court. A decision by a relative not to be identified as a potential permanent placement resource or participate in planning for the child shall not affect whether the relative is considered for placement of, or as a permanency resource for, the child with that relative at any time in the case, and shall not be the sole basis for the court to rule out the relative as the child's placement or permanency resource;

(3) that the relative may participate in the care and planning for the child, as specified in subdivision 3, including that the opportunity for such participation may be lost by failing to respond to the notice sent under this subdivision;

(4) of the family foster care licensing and adoption home study requirements, including:

(i) how to complete an application and;

(ii) how to request a variance from licensing standards that do not present a safety or health risk to the child in the home under section 142B.10 ~~and~~;

(iii) supports that are available for relatives and children who reside in a family foster home, including how to access respite care, strategies for leveraging natural supports for the child and family, and ways to include resource or substitute caregivers in the child's case plan; and

(iv) a review of licensing requirements and the relative's choice between county or private, community-based agency licensing and services, pursuant to existing contracts and funding;

(5) of the relatives' right to ask to be notified of any court proceedings regarding the child, to attend the hearings, and of a relative's right to be heard by the court as required under section 260C.152, subdivision 5;

(6) that regardless of the relative's response to the notice sent under this subdivision, the agency is required to establish permanency for a child, including planning for alternative permanency options if the agency's reunification efforts fail or are not required; ~~and~~

(7) that by responding to the notice, a relative may receive information about participating in a child's family and permanency team if the child is placed in a qualified residential treatment program as defined in section 260C.007, subdivision 26d; and

(8) information advising a relative on access to legal services and support.

(b) The responsible social services agency shall send the notice required under paragraph (a) to relatives who become known to the responsible social services agency, except for relatives that the agency does not contact due to safety reasons under subdivision 5, paragraph (b). The responsible social services agency shall continue to send notice to relatives notwithstanding a court's finding that the agency has made reasonable efforts to conduct a relative search.

(c) The responsible social services agency is not required to send the notice under paragraph (a) to a relative who becomes known to the agency after an adoption placement agreement has been fully executed under section 260C.613, subdivision 1. If the relative wishes to be considered for adoptive placement of the child, the agency shall inform the relative of the relative's ability to file a motion for an order for adoptive placement under section 260C.607, subdivision 6.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 25. Minnesota Statutes 2024, section 260C.223, subdivision 1, is amended to read:

Subdivision 1. **Program; goals.** (a) The commissioner of children, youth, and families shall establish a program for concurrent permanency planning for child protection services.

(b) Concurrent permanency planning involves a planning process for children who are placed out of the home of their parents pursuant to a court order, or who have been voluntarily placed out of the home by the parents for 60 days or more and who are not developmentally disabled or emotionally disabled under section 260C.212, subdivision 9. The responsible social services agency shall develop an alternative permanency plan while making reasonable efforts for reunification of the child with the family, if required by section 260.012. The goals of concurrent permanency planning are to:

(1) achieve early permanency for children;

(2) decrease children's length of stay in foster care and reduce the number of moves children experience in foster care; and

(3) ~~develop a group of families~~ establish a foster parent for a child who will work ~~towards~~ toward reunification and also serve as a ~~permanent families~~ permanent family for children.

Sec. 26. Minnesota Statutes 2024, section 260C.223, subdivision 2, is amended to read:

Subd. 2. **Development of guidelines and protocols.** (a) The commissioner shall establish guidelines and protocols for social services agencies involved in concurrent permanency planning, including criteria for conducting concurrent permanency planning based on relevant factors such as:

- (1) age of the child and duration of out-of-home placement;
- (2) prognosis for successful reunification with parents;
- (3) availability of relatives and other concerned individuals to provide support or a permanent placement for the child; and
- (4) special needs of the child and other factors affecting the child's best interests.

(b) In developing the guidelines and protocols, the commissioner shall consult with interest groups within the child protection system, including child protection workers, child protection advocates, county attorneys, law enforcement, community service organizations, the councils of color, and the ombudsperson for families.

(c) The responsible social services agency must not make a foster family the permanent home for a child until:

- (1) inquiry and Tribal notice requirements under section 260.761, subdivisions 1 and 2, are satisfied;
- (2) inquiry about the child's heritage, including the child's race, culture, and ethnicity pursuant to section 260.63, subdivision 10, has been completed; and
- (3) the court has determined that reasonable or active efforts toward completing the relative search requirements in section 260C.221 have been made.

Sec. 27. Minnesota Statutes 2024, section 260C.329, subdivision 3, is amended to read:

Subd. 3. **Petition.** (a) The following individuals may file a petition for the reestablishment of the legal parent and child relationship:

- (1) county attorney;
- (2) a parent whose parental rights were terminated under a previous order of the court;
- (3) a parent whose voluntary consent to adoption was accepted by the court and:
 - (i) the identified prospective adoptive parent did not finalize the adoption; or
 - (ii) the adoption finalized but subsequently dissolved and the child returned to foster care and guardianship of the commissioner;
- (4) a child who is ten years of age or older;

(5) the responsible social services agency; or

(6) a guardian ad litem ~~may file a petition for the reestablishment of the legal parent and child relationship.~~

(b) A parent filing a petition under this section shall pay a filing fee in the amount required under section 357.021, subdivision 2, clause (1). The filing fee may be waived pursuant to chapter 563. A petition for the reestablishment of the legal parent and child relationship may be filed when:

(1) the parent has corrected the conditions that led to an order terminating parental rights;

(2) the parent is willing and has the capability to provide day-to-day care and maintain the health, safety, and welfare of the child;

(3) the child has been in foster care for at least 24 months after the court issued the order terminating parental rights;

(4) the child ~~has~~ is not been currently adopted; and

(5) the child is not the subject of a written adoption placement agreement between the responsible social services agency and the prospective adoptive parent, as required under Minnesota Rules, part 9560.0060, subpart 2.

Sec. 28. Minnesota Statutes 2024, section 260C.329, subdivision 8, is amended to read:

Subd. 8. **Hearing.** The court may grant the petition ordering the reestablishment of the legal parent and child relationship only if it finds by clear and convincing evidence that:

(1) reestablishment of the legal parent and child relationship is in the child's best interests;

(2) the child ~~has~~ is not been currently adopted;

(3) the child is not the subject of a written adoption placement agreement between the responsible social services agency and the prospective adoptive parent, as required under Minnesota Rules, part 9560.0060, subpart 2;

(4) at least 24 months have elapsed following a final order terminating parental rights and the child remains in foster care;

(5) the child desires to reside with the parent;

(6) the parent has corrected the conditions that led to an order terminating parental rights; and

(7) the parent is willing and has the capability to provide day-to-day care and maintain the health, safety, and welfare of the child.

Sec. 29. Minnesota Statutes 2024, section 260C.451, subdivision 9, is amended to read:

Subd. 9. **Administrative or court review of placements.** (a) The court ~~shall~~ must conduct reviews at least annually to ensure the responsible social services agency is making reasonable efforts to finalize the permanency plan for the child.

(b) The responsible social services agency must file a written report with the court containing or attaching the following:

- (1) the child's name, date of birth, race, gender, and current address;
 - (2) a written summary describing planning with the child, including supports and services to ensure the child's safety, housing stability, well-being needs, and independent living skills;
 - (3) the child's most recent out-of-home placement plan and independent living plan required under section 260C.212, subdivision 1;
 - (4) if the child's plan is to not continue in extended foster care or if the child will reach age 21 before the next review, a copy of their 180-day transition plan as required in section 260C.452, subdivision 4; and
 - (5) if the agency plans to transition the child into adult services, a summary of the transition plan as required in section 260C.452, subdivision 4, and how this plan is in the child's best interest.
- ~~(b)~~ (c) The court ~~shall~~ must find that the responsible social services agency is making reasonable efforts to finalize the permanency plan for the child when the responsible social services agency:
- (1) provides appropriate support to the child and caregiver or foster care provider parent to ensure continuing stability and success in placement;
 - (2) works with the child to plan for transition to adulthood and assists the child in demonstrating progress in achieving related goals;
 - (3) works with the child to plan for independent living skills and assists the child in demonstrating progress in achieving independent living goals; and
 - (4) prepares the child for independence according to sections 260C.203, paragraph (d), and 260C.452, subdivision 4.
- ~~(e)~~ (d) The responsible social services agency must ensure that an administrative review that meets the requirements of this section and section 260C.203 is completed at least six months after each of the court's annual reviews.

Sec. 30. Minnesota Statutes 2024, section 260C.452, subdivision 4, is amended to read:

Subd. 4. **Administrative or court review of placements.** (a) When the youth is 14 years of age or older, the court, in consultation with the youth, shall review the youth's independent living plan according to section 260C.203, paragraph (d).

(b) The responsible social services agency shall file a copy of the notification of foster care benefits for a youth who is 18 years of age or older according to section 260C.451, subdivision 1, with the court. If the responsible social services agency does not file the notice by the time the youth is 17-1/2 years of age, the court shall require the responsible social services agency to file the notice.

(c) When a youth is 18 years of age or older, the court shall ensure that the responsible social services agency assists the youth in obtaining the following documents before the youth leaves foster care: a Social Security card; an official or certified copy of the youth's birth certificate; a state identification card or driver's license, Tribal enrollment identification card, ~~green~~ permanent resident card, or school visa; health insurance information; the youth's school, medical, and dental records; a contact list of the youth's medical, dental, and mental health providers; and contact information for the youth's siblings, if the siblings are in foster care.

(d) For a youth who will be discharged from foster care at 18 years of age or older because the youth is not eligible for extended foster care benefits or chooses to leave foster care, the responsible social services agency must develop a personalized transition plan as directed by the youth during the 180-day period immediately prior to the expected date of discharge. The transition plan must be as detailed as the youth elects and include specific options, including but not limited to:

- (1) affordable housing with necessary supports that does not include a homeless shelter;
- (2) health insurance, including eligibility for medical assistance as defined in section 256B.055, subdivision 17;
- (3) education, including application to the Education and Training Voucher Program;
- (4) local opportunities for mentors and continuing support services;
- (5) workforce supports and employment services;
- (6) a copy of the youth's consumer credit report as defined in section 13C.001 and assistance in interpreting and resolving any inaccuracies in the report, at no cost to the youth;
- (7) information on executing a health care directive under chapter 145C and on the importance of designating another individual to make health care decisions on behalf of the youth if the youth becomes unable to participate in decisions;
- (8) appropriate contact information through 21 years of age if the youth needs information or help dealing with a crisis situation; and
- (9) official documentation that the youth was previously in foster care.

Sec. 31. Minnesota Statutes 2024, section 260E.03, subdivision 15, is amended to read:

Subd. 15. **Neglect.** (a) "Neglect" means the commission or omission of any of the acts specified under clauses (1) to (8), other than by accidental means:

- (1) failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter, health, medical, or other care required for the child's physical or mental health when reasonably able to do so;
- (2) failure to protect a child from conditions or actions that seriously endanger the child's physical or mental health when reasonably able to do so, including a growth delay, which may be referred to as a failure to thrive, that has been diagnosed by a physician and is due to parental neglect;
- (3) failure to provide for necessary supervision or child care arrangements appropriate for a child after considering factors as the child's age, mental ability, physical condition, length of absence, or environment, when the child is unable to care for the child's own basic needs or safety, or the basic needs or safety of another child in their care;
- (4) failure to ensure that the child is educated as defined in sections 120A.22 and 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's child with sympathomimetic medications, consistent with section 125A.091, subdivision 5;
- (5) prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of

a toxicology test performed on the mother at delivery or the child at birth, medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance, or the presence of a fetal alcohol spectrum disorder;

(6) medical neglect, as defined in section 260C.007, subdivision 6, clause (5);

(7) chronic and severe use of alcohol or a controlled substance by a person responsible for the child's care that adversely affects the child's basic needs and safety; or

(8) emotional harm from a pattern of behavior that contributes to impaired emotional functioning of the child which may be demonstrated by a substantial and observable effect in the child's behavior, emotional response, or cognition that is not within the normal range for the child's age and stage of development, with due regard to the child's culture.

(b) Nothing in this chapter shall be construed to mean that a child is neglected solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child in lieu of medical care.

(c) This chapter does not impose upon persons not otherwise legally responsible for providing a child with necessary food, clothing, shelter, education, or medical care a duty to provide that care.

(d) Nothing in this chapter shall be construed to mean that a child who has a mental, physical, or emotional condition is neglected solely because the child remains in an emergency department or hospital setting because services, including residential treatment, that are deemed necessary by the child's medical or mental health care professional or county case manager are not available to the child's parent, guardian, or other person responsible for the child's care, and the child cannot be safely discharged to the child's family.

Sec. 32. Minnesota Statutes 2024, section 260E.09, is amended to read:

260E.09 REPORTING REQUIREMENTS.

(a) An oral report shall be made immediately by telephone or otherwise. An oral report made by a person required under section 260E.06, subdivision 1, to report shall be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the appropriate police department, the county sheriff, the agency responsible for assessing or investigating the report, or the local welfare agency.

(b) Any report shall be of sufficient content to identify the child, any person believed to be responsible for the maltreatment of the child if the person is known, the nature and extent of the maltreatment, and the name and address of the reporter. The local welfare agency or agency responsible for assessing or investigating the report shall accept a report made under section 260E.06 notwithstanding refusal by a reporter to provide the reporter's name or address as long as the report is otherwise sufficient under this paragraph. The local welfare agency shall ask the reporter if the reporter is aware of the child's heritage, including the child's Tribal lineage pursuant to section 260.761 and the child's race, culture, and ethnicity pursuant to section 260.63, subdivision 10.

(c) Notwithstanding paragraph (a), upon implementation of the provider licensing and reporting hub, an individual who has an account with the provider licensing and reporting hub and is required to report suspected maltreatment at a licensed program under section 260E.06, subdivision 1, may submit a written report in the hub in a manner prescribed by the commissioner and is not required to make an oral report. A report submitted through the provider licensing and reporting hub must be made immediately.

Sec. 33. Minnesota Statutes 2024, section 260E.14, subdivision 2, is amended to read:

Subd. 2. **Sexual abuse.** (a) The local welfare agency is the agency responsible for investigating an allegation of sexual abuse, including if the alleged sexual abuse occurred in another state or country but the child's residence is in Minnesota, if the alleged offender is the parent, guardian, sibling, or an individual functioning within the family unit as a person responsible for the child's care, or a person with a significant relationship to the child if that person resides in the child's household.

(b) The local welfare agency is also responsible for assessing or investigating when a child is identified as a victim of sex trafficking.

Sec. 34. Minnesota Statutes 2024, section 260E.14, subdivision 3, is amended to read:

Subd. 3. **Neglect, physical abuse, or labor trafficking.** (a) The local welfare agency is responsible for ~~immediately~~ conducting a family assessment or investigation if the report alleges neglect or physical abuse by a parent, guardian, or individual functioning within the family unit as a person responsible for the child's care, including if the alleged neglect or physical abuse occurred in another state or country but the child's residence is in Minnesota.

(b) The local welfare agency is also responsible for conducting a family assessment or investigation when a child is identified as a victim of labor trafficking.

Sec. 35. Minnesota Statutes 2024, section 260E.20, subdivision 1, is amended to read:

Subdivision 1. **General duties.** (a) The local welfare agency shall offer services to prevent future maltreatment, safeguarding and enhancing the welfare of the maltreated child, and supporting and preserving family life whenever possible.

(b) If the report alleges a violation of a criminal statute involving maltreatment or child endangerment under section 609.378, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of the agency's investigation or assessment.

(c) In cases of alleged child maltreatment resulting in death, the local agency may rely on the fact-finding efforts of a law enforcement investigation to make a determination of whether or not maltreatment occurred.

(d) When necessary, the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian, or adult with whom the child is living.

(e) In performing any of these duties, the local welfare agency shall maintain an appropriate record.

(f) In conducting a family assessment, noncaregiver human trafficking assessment, or investigation, the local welfare agency shall gather information on the existence of substance abuse and domestic violence.

(g) If the family assessment, noncaregiver human trafficking assessment, or investigation indicates there is a potential for abuse of alcohol or other drugs by the parent, guardian, or person responsible for the child's care, the local welfare agency must coordinate a comprehensive assessment pursuant to section 245G.05.

(h) The agency may use either a family assessment or investigation to determine whether the child is safe when responding to a report resulting from birth match data under section 260E.03, subdivision 23, paragraph (c). If the child subject of birth match data is determined to be safe, the agency shall consult with

the county attorney to determine the appropriateness of filing a petition alleging the child is in need of protection or services under section 260C.007, subdivision 6, clause (16), in order to deliver needed services. If the child is determined not to be safe, the agency and the county attorney shall take appropriate action as required under section 260C.503, subdivision 2.

(i) When conducting any family assessment, noncaregiver human trafficking assessment, or investigation, the agency shall ask the child, if age appropriate; parents; extended family; and reporter about the child's heritage, including the child's Tribal lineage pursuant to section 260.761 and the child's race, culture, and ethnicity pursuant to section 260.63, subdivision 10.

Sec. 36. Minnesota Statutes 2024, section 260E.20, subdivision 3, is amended to read:

Subd. 3. Collection of information. (a) The local welfare agency responsible for conducting a family assessment, noncaregiver human trafficking assessment, or investigation shall collect available and relevant information to determine child safety, risk of subsequent maltreatment, and family strengths and needs and share not public information with an Indian's Tribal social services agency without violating any law of the state that may otherwise impose a duty of confidentiality on the local welfare agency in order to implement the Tribal state agreement.

(b) The local welfare agency or the agency responsible for investigating the report shall collect available and relevant information to ascertain whether maltreatment occurred and whether protective services are needed.

(c) Information collected includes, when relevant, information regarding the person reporting the alleged maltreatment, including the nature of the reporter's relationship to the child and to the alleged offender, and the basis of the reporter's knowledge for the report; the child allegedly being maltreated; the alleged offender; the child's caretaker; and other collateral sources having relevant information related to the alleged maltreatment.

(d) Information relevant to the assessment or investigation must be requested, and may include:

(1) the child's sex and age; prior reports of maltreatment, including any maltreatment reports that were screened out and not accepted for assessment or investigation; information relating to developmental functioning; credibility of the child's statement; and whether the information provided under this clause is consistent with other information collected during the course of the assessment or investigation;

(2) except in a noncaregiver human trafficking assessment, the alleged offender's age, a record check for prior reports of maltreatment, and criminal charges and convictions;

(3) collateral source information regarding the alleged maltreatment and care of the child. Collateral information includes, when relevant: (i) a medical examination of the child; (ii) prior medical records relating to the alleged maltreatment or the care of the child maintained by any facility, clinic, or health care professional and an interview with the treating professionals; and (iii) interviews with the child's caretakers, including the child's parent, guardian, foster parent, child care provider, teachers, counselors, family members, relatives, and other persons who may have knowledge regarding the alleged maltreatment and the care of the child; and

(4) information on the existence of domestic abuse and violence in the home of the child, and substance abuse.

(e) Nothing in this subdivision precludes the local welfare agency, the local law enforcement agency, or the agency responsible for assessing or investigating the report from collecting other relevant information necessary to conduct the assessment or investigation.

(f) Notwithstanding section 13.384 or 144.291 to 144.298, the local welfare agency has access to medical data and records for purposes of paragraph (d), clause (3).

Sec. 37. Minnesota Statutes 2024, section 260E.24, subdivision 1, is amended to read:

Subdivision 1. **Timing.** The local welfare agency shall conclude the family assessment, the noncaregiver human trafficking assessment, or the investigation within 45 days of the receipt of a report. The conclusion of the assessment or investigation may be extended to permit the completion of a criminal investigation or the receipt of expert information requested within 45 days of the receipt of the report.

Sec. 38. Minnesota Statutes 2024, section 260E.24, subdivision 2, is amended to read:

Subd. 2. **Determination after family assessment or a noncaregiver human trafficking assessment.** After conducting a family assessment or a noncaregiver human trafficking assessment, the local welfare agency shall determine whether child protective services are needed to address the safety of the child and other family members and the risk of subsequent maltreatment. The local welfare agency must document the information collected under section 260E.20, subdivision 3, related to the completed family assessment or noncaregiver human trafficking assessment in the child's or family's case notes.

Sec. 39. **[260E.291] REPORTING OF SCHOOL ATTENDANCE CONCERNS.**

Subdivision 1. **Reports required.** (a) A person mandated to report under this chapter must immediately report to the local welfare agency, Tribal social services agency, or designated partner if the person knows or has reason to believe that a child required to be enrolled in school under section 120A.22, has at least seven unexcused absences in the current school year, and is at risk of educational neglect under section 260C.163, subdivision 11.

(b) Any person may voluntarily report to the local welfare agency, Tribal social services agency, or designated partner if the person knows or has reason to believe that a child required to be enrolled in school under section 120A.22 has at least seven unexcused absences in the current school year and is at risk of educational neglect under section 260C.163, subdivision 11.

(c) An oral report must be made immediately by telephone or otherwise. An oral report made by a person required to report under paragraph (a) must be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the local welfare agency. A report must sufficiently identify the child and the child's parent or guardian, the actual or estimated number of the child's unexcused absences in the current school year, the efforts made by school officials to resolve attendance concerns with the family, and the name and address of the reporter. A voluntary reporter under paragraph (b) may refuse to provide their name or address if the report is otherwise sufficient, and such a report must be accepted by the local welfare agency.

Subd. 2. **Local welfare agency.** (a) The local welfare agency or partner designated to provide child welfare services must provide a child welfare response for a report that alleges a child enrolled in school has seven or more unexcused absences. When providing a child welfare response under this paragraph, the local welfare agency or designated partner must offer services to the child and the child's family to address school attendance concerns or may partner with a county attorney's office, a community-based organization, or other community partner to provide the services. The services must be culturally and linguistically

appropriate and tailored to the needs of the child and the child's family. This section is subject to all requirements of the Minnesota Indian Family Preservation Act under sections 260.751 to 260.835, and the Minnesota African American Family Preservation and Child Welfare Disproportionality Act under sections 260.61 to 260.693.

(b) If the child's unexcused absences continue and the family has not engaged with services under paragraph (a) after the local welfare agency, Tribal social services agency, or partner designated to provide child welfare services has made multiple varied attempts to engage the child's family, a report of educational neglect must be made regardless of the number of unexcused absences the child has accrued. The local welfare agency must determine the response path assignment pursuant to section 260E.17 and may proceed with the process outlined in section 260C.141.

Sec. 40. **REVISOR INSTRUCTION.**

The revisor of statutes shall change paragraphs to subdivisions, clauses to paragraphs, and items to clauses in Minnesota Statutes, sections 260C.203 and 260C.204. The revisor shall make any necessary grammatical changes or changes to sentence structure necessary to preserve the meaning of the text as a result of the changes. The revisor of statutes must correct any statutory cross-references consistent with the changes in this section.

ARTICLE 11

CHILD PROTECTION AND WELFARE FINANCE

Section 1. Minnesota Statutes 2024, section 142A.03, subdivision 2, is amended to read:

Subd. 2. **Duties of the commissioner.** (a) The commissioner may apply for and accept on behalf of the state any grants, bequests, gifts, or contributions for the purpose of carrying out the duties and responsibilities of the commissioner. Any money received under this paragraph is appropriated and dedicated for the purpose for which the money is granted. The commissioner must biennially report to the chairs and ranking minority members of relevant legislative committees and divisions by January 15 of each even-numbered year a list of all grants and gifts received under this subdivision.

(b) Pursuant to law, the commissioner may apply for and receive money made available from federal sources for the purpose of carrying out the duties and responsibilities of the commissioner.

(c) The commissioner may make contracts with and grants to Tribal Nations, public and private agencies, for-profit and nonprofit organizations, and individuals using appropriated money.

(d) The commissioner must develop program objectives and performance measures for evaluating progress toward achieving the objectives. The commissioner must identify the objectives, performance measures, and current status of achieving the measures in a biennial report to the chairs and ranking minority members of relevant legislative committees and divisions. The report is due no later than January 15 each even-numbered year. The report must include, when possible, the following objectives:

(1) centering and including the lived experiences of children and youth, including those with disabilities and mental illness and their families, in all aspects of the department's work;

(2) increasing the effectiveness of the department's programs in addressing the needs of children and youth facing racial, economic, or geographic inequities;

(3) increasing coordination and reducing inefficiencies among the department's programs and the funding sources that support the programs;

(4) increasing the alignment and coordination of family access to child care and early learning programs and improving systems of support for early childhood and learning providers and services;

(5) improving the connection between the department's programs and the kindergarten through grade 12 and higher education systems; and

(6) minimizing and streamlining the effort required of youth and families to receive services to which the youth and families are entitled.

(e) The commissioner shall administer and supervise the forms of public assistance and other activities or services that are vested in the commissioner. Administration and supervision of activities or services includes but is not limited to assuring timely and accurate distribution of benefits, completeness of service, and quality program management. In addition to administering and supervising activities vested by law in the department, the commissioner has the authority to:

(1) require county agency participation in training and technical assistance programs to promote compliance with statutes, rules, federal laws, regulations, and policies governing the programs and activities administered by the commissioner;

(2) monitor, on an ongoing basis, the performance of county agencies in the operation and administration of activities and programs; enforce compliance with statutes, rules, federal laws, regulations, and policies governing welfare services; and promote excellence of administration and program operation;

(3) develop a quality control program or other monitoring program to review county performance and accuracy of benefit determinations;

(4) require county agencies to make an adjustment to the public assistance benefits issued to any individual consistent with federal law and regulation and state law and rule and to issue or recover benefits as appropriate;

(5) delay or deny payment of all or part of the state and federal share of benefits and administrative reimbursement according to the procedures set forth in section 142A.10;

(6) make contracts with and grants to public and private agencies and organizations, both for-profit and nonprofit, and individuals, using appropriated funds; and

(7) enter into contractual agreements with federally recognized Indian Tribes with a reservation in Minnesota to the extent necessary for the Tribe to operate a federally approved family assistance program or any other program under the supervision of the commissioner. The commissioner shall consult with the affected county or counties in the contractual agreement negotiations, if the county or counties wish to be included, in order to avoid the duplication of county and Tribal assistance program services. The commissioner may establish necessary accounts for the purposes of receiving and disbursing funds as necessary for the operation of the programs.

The commissioner shall work in conjunction with the commissioner of human services to carry out the duties of this paragraph when necessary and feasible.

(f) The commissioner shall inform county agencies, on a timely basis, of changes in statute, rule, federal law, regulation, and policy necessary to county agency administration of the programs and activities administered by the commissioner.

(g) The commissioner shall administer and supervise child welfare activities, including promoting the enforcement of laws preventing child maltreatment and protecting children with a disability and children who are in need of protection or services, licensing and supervising child care and child-placing agencies, and supervising the care of children in foster care. The commissioner shall coordinate with the commissioner of human services on activities impacting children overseen by the Department of Human Services, such as disability services, behavioral health, and substance use disorder treatment.

(h) The commissioner shall assist and cooperate with local, state, and federal departments, agencies, and institutions.

(i) The commissioner shall establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(j) The commissioner shall act as designated guardian of children pursuant to chapter 260C. For children under the guardianship of the commissioner or a Tribe in Minnesota recognized by the Secretary of the Interior whose interests would be best served by adoptive placement, the commissioner may contract with a licensed child-placing agency or a Minnesota Tribal social services agency to provide adoption services. For children in out-of-home care whose interests would be best served by a transfer of permanent legal and physical custody to a relative under section 260C.515, subdivision 4, or equivalent in Tribal code, the commissioner may contract with a licensed child-placing agency or a Minnesota Tribal social services agency to provide permanency services. A contract with a licensed child-placing agency must be designed to supplement existing county efforts and may not replace existing county programs or Tribal social services, unless the replacement is agreed to by the county board and the appropriate exclusive bargaining representative, Tribal governing body, or the commissioner has evidence that child placements of the county continue to be substantially below that of other counties. Funds encumbered and obligated under an agreement for a specific child shall remain available until the terms of the agreement are fulfilled or the agreement is terminated.

(k) The commissioner has the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public benefits. To carry out the experimental projects, the commissioner may waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver must provide alternative methods and procedures of administration and must not conflict with the basic purposes, coverage, or benefits provided by law. No project under this paragraph shall exceed four years. No order establishing an experimental project as authorized by this paragraph is effective until the following conditions have been met:

(1) the United States Secretary of Health and Human Services has agreed, for the same project, to waive state plan requirements relative to statewide uniformity; and

(2) a comprehensive plan, including estimated project costs, has been approved by the Legislative Advisory Commission and filed with the commissioner of administration.

(l) The commissioner shall, according to federal requirements and in coordination with the commissioner of human services, establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(m) The commissioner shall allocate federal fiscal disallowances or sanctions that are based on quality control error rates for the aid to families with dependent children (AFDC) program formerly codified in sections 256.72 to 256.87 or the Supplemental Nutrition Assistance Program (SNAP) in the following manner:

(1) one-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs. For AFDC, disallowances shall be shared by each county board in the same proportion as that county's expenditures to the total of all counties' expenditures for AFDC. For SNAP, sanctions shall be shared by each county board, with 50 percent of the sanction being distributed to each county in the same proportion as that county's administrative costs for SNAP benefits are to the total of all SNAP administrative costs for all counties, and 50 percent of the sanctions being distributed to each county in the same proportion as that county's value of SNAP benefits issued are to the total of all benefits issued for all counties. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due under this paragraph, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due; and

(2) notwithstanding the provisions of clause (1), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in clause (1), an amount equal to the portion of the total disallowance that resulted from the noncompliance and may distribute the balance of the disallowance according to clause (1).

(n) The commissioner shall develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches \$1,000,000. When the balance in the account exceeds \$1,000,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

(o) The commissioner has the authority to establish and enforce the following county reporting requirements:

(1) the commissioner shall establish fiscal and statistical reporting requirements necessary to account for the expenditure of funds allocated to counties for programs administered by the commissioner. When establishing financial and statistical reporting requirements, the commissioner shall evaluate all reports, in consultation with the counties, to determine if the reports can be simplified or the number of reports can be reduced;

(2) the county board shall submit monthly or quarterly reports to the department as required by the commissioner. Monthly reports are due no later than 15 working days after the end of the month. Quarterly reports are due no later than 30 calendar days after the end of the quarter, unless the commissioner determines that the deadline must be shortened to 20 calendar days to avoid jeopardizing compliance with federal deadlines or risking a loss of federal funding. Only reports that are complete, legible, and in the required format shall be accepted by the commissioner;

(3) if the required reports are not received by the deadlines established in clause (2), the commissioner may delay payments and withhold funds from the county board until the next reporting period. When the report is needed to account for the use of federal funds and the late report results in a reduction in federal funding, the commissioner shall withhold from the county boards with late reports an amount equal to the reduction in federal funding until full federal funding is received;

(4) a county board that submits reports that are late, illegible, incomplete, or not in the required format for two out of three consecutive reporting periods is considered noncompliant. When a county board is found to be noncompliant, the commissioner shall notify the county board of the reason the county board is considered noncompliant and request that the county board develop a corrective action plan stating how the county board plans to correct the problem. The corrective action plan must be submitted to the commissioner within 45 days after the date the county board received notice of noncompliance;

(5) the final deadline for fiscal reports or amendments to fiscal reports is one year after the date the report was originally due. If the commissioner does not receive a report by the final deadline, the county board forfeits the funding associated with the report for that reporting period and the county board must repay any funds associated with the report received for that reporting period;

(6) the commissioner may not delay payments, withhold funds, or require repayment under clause (3) or (5) if the county demonstrates that the commissioner failed to provide appropriate forms, guidelines, and technical assistance to enable the county to comply with the requirements. If the county board disagrees with an action taken by the commissioner under clause (3) or (5), the county board may appeal the action according to sections 14.57 to 14.69; and

(7) counties subject to withholding of funds under clause (3) or forfeiture or repayment of funds under clause (5) shall not reduce or withhold benefits or services to clients to cover costs incurred due to actions taken by the commissioner under clause (3) or (5).

(p) The commissioner shall allocate federal fiscal disallowances or sanctions for audit exceptions when federal fiscal disallowances or sanctions are based on a statewide random sample in direct proportion to each county's claim for that period.

(q) The commissioner is responsible for ensuring the detection, prevention, investigation, and resolution of fraudulent activities or behavior by applicants, recipients, and other participants in the programs administered by the department. The commissioner shall cooperate with the commissioner of education to enforce the requirements for program integrity and fraud prevention for investigation for child care assistance under chapter 142E.

(r) The commissioner shall require county agencies to identify overpayments, establish claims, and utilize all available and cost-beneficial methodologies to collect and recover these overpayments in the programs administered by the department.

(s) The commissioner shall develop recommended standards for child foster care homes that address the components of specialized therapeutic services to be provided by child foster care homes with those services.

(t) The commissioner shall authorize the method of payment to or from the department as part of the programs administered by the department. This authorization includes the receipt or disbursement of funds held by the department in a fiduciary capacity as part of the programs administered by the department.

(u) In coordination with the commissioner of human services, the commissioner shall create and provide county and Tribal agencies with blank applications, affidavits, and other forms as necessary for public assistance programs.

(v) The commissioner shall cooperate with the federal government and its public welfare agencies in any reasonable manner as may be necessary to qualify for federal aid for temporary assistance for needy families and in conformity with Title I of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and successor amendments, including making reports that contain

information required by the federal Social Security Advisory Board and complying with any provisions the board may find necessary to assure the correctness and verification of the reports.

(w) On or before January 15 in each even-numbered year, the commissioner shall make a biennial report to the governor concerning the activities of the agency.

(x) The commissioner shall enter into agreements with other departments of the state as necessary to meet all requirements of the federal government.

(y) The commissioner may cooperate with other state agencies in establishing reciprocal agreements in instances where a child receiving Minnesota family investment program (MFIP) assistance or its out-of-state equivalent moves or contemplates moving into or out of the state, in order that the child may continue to receive MFIP or equivalent aid from the state moved from until the child has resided for one year in the state moved to.

(z) The commissioner shall provide appropriate technical assistance to county agencies to develop methods to have county financial workers remind and encourage recipients of aid to families with dependent children, the Minnesota family investment program, the Minnesota family investment plan, family general assistance, or SNAP benefits whose assistance unit includes at least one child under the age of five to have each young child immunized against childhood diseases. The commissioner must examine the feasibility of utilizing the capacity of a statewide computer system to assist county agency financial workers in performing this function at appropriate intervals.

(aa) The commissioner shall have the power and authority to accept on behalf of the state contributions and gifts for the use and benefit of children under the guardianship or custody of the commissioner. The commissioner may also receive and accept on behalf of such children money due and payable to them as old age and survivors insurance benefits, veterans benefits, pensions, or other such monetary benefits. Gifts, contributions, pensions, and benefits under this paragraph must be deposited in and disbursed from the social welfare fund provided for in sections 256.88 to 256.92.

(bb) The specific enumeration of powers and duties in this section must not be construed to be a limitation upon the general powers granted to the commissioner.

Sec. 2. Minnesota Statutes 2024, section 260.810, subdivision 1, is amended to read:

Subdivision 1. **Payments.** The commissioner shall make grant payments to each approved program in four quarterly installments a year. The commissioner may certify an advance payment for the first quarter of the state fiscal year. Later payments must be made ~~upon receipt by the state of a quarterly report on finances and program activities~~ quarterly.

Sec. 3. Minnesota Statutes 2024, section 260.810, subdivision 2, is amended to read:

Subd. 2. **Quarterly report Reporting.** The commissioner shall ~~specify~~ engage Tribal and urban Indian organizations to establish requirements for reports and reporting timelines, including ~~quarterly~~ quarterly fiscal reports submitted to the commissioner at least annually, according to section 142A.03, subdivision 2, paragraph

(o). Each ~~quarter~~ reporting period as agreed upon by the commissioner and grantee, an approved program receiving an Indian child welfare grant shall submit a report to the commissioner that includes:

(1) a detailed accounting of grant money expended during the preceding ~~quarter~~ reporting period, specifying expenditures by line item and year to date; and

(2) a description of Indian child welfare activities conducted during the preceding quarter reporting period, including the number of clients served and the type of services provided.

~~The quarterly Reports must be submitted no later than 30 days after the end of each quarter agreed upon reporting timelines of the state fiscal year.~~

Sec. 4. Minnesota Statutes 2024, section 260.821, subdivision 2, is amended to read:

Subd. 2. **Special focus grants.** The amount available for grants established under section 260.785, subdivision 2, for child-placing agencies, Tribes, Indian organizations, and other social services organizations is one-fifth of the total annual appropriation for Indian child welfare grants. ~~The maximum award under this subdivision is \$100,000 a year for programs approved by the commissioner.~~

Sec. 5. Minnesota Statutes 2024, section 518A.46, subdivision 7, is amended to read:

Subd. 7. **Administrative redirection of support.** (a) The public authority must provide written notice of redirection to the obligee, the obligor, and the caregiver. The notice must be mailed to the obligor, obligee, and caregiver at the obligee's, the obligor's, and the caregiver's respective last known address. The notice must state the name of the child or children for whom support will be redirected, to whom the support will be redirected, the date the support will be redirected, and the amount of the support that will be redirected. The notice must also inform the parties of the right to contest the redirection of support according to paragraph (c).

(b) If fewer than all of the children for whom the support is ordered reside with the caregiver, the public authority must redirect the proportional share of the support for the number of children residing with the caregiver.

(c) The obligee or obligor may contest the redirection of support on the limited grounds that:

(1) the child or children do not reside or no longer reside with the caregiver;

(2) under an out-of-home placement plan under section 260C.212, subdivision 1, that includes a plan for reunification, all or part of the support is needed to maintain the obligee's home; or

(3) the redirection of support is not in the best interests of the child.

(d) To contest the redirection, the obligee or obligor must make a written request for a hearing to the public authority within 30 calendar days of the date of the written notice of redirection. The hearing must be held at the earliest practicable time, but no later than 30 calendar days from the date the public authority receives the written request for a hearing. If the public authority receives a timely written request for a hearing, the public authority must schedule a hearing and serve the obligee and the obligor with a notice of hearing at least 14 days before the date of the hearing. The notice must be served personally or by mail at the obligee's and the obligor's respective last known address. The public authority must file with the court the notice of hearing along with the notice of redirection at least five days before the scheduled hearing. The court administrator must schedule these hearings to be heard in the expedited process before a child support magistrate, but may schedule these hearings in district court if the availability of a child support magistrate does not permit a hearing to occur within the time frames of this subdivision.

(e) If neither the obligee nor the obligor contests the redirection of support under this subdivision, support must be redirected to the caregiver effective the first day of the month following the expiration of the time period to contest under paragraph (d). If the obligee or the obligor contests the redirection of support under

paragraph (d), the public authority must not redirect support to the caregiver pending the outcome of the hearing.

(f) The redirection of the basic support, medical support, and child care support terminates and the public authority must direct support to the obligee if the public authority determines that:

- (1) the caregiver for the child no longer receives public assistance for the child;
- (2) the voluntary placement agreement expires; ~~or~~
- (3) the court order placing the child is no longer in effect; or

(4) the redirection of support is not in the best interests of the child as determined under section 260B.331, subdivision 1, or 260C.331, subdivision 1.

(g) The public authority must notify the obligee, obligor, and caregiver of a termination of the redirection of support by mailing a written notice to each of them at their last known address. The termination is effective the first day of the month that occurs at least 14 calendar days after the date the notice is mailed.

EFFECTIVE DATE. This section is effective September 1, 2025.

Sec. 6. **CHILD WELFARE INFORMATION SYSTEM.**

Subdivision 1. **Direction to commissioner.** The commissioner of children, youth, and families must acquire, implement, and configure a data-driven comprehensive child welfare information system that complies with federal and state laws and regulations.

Subd. 2. **System requirements.** The commissioner of children, youth, and families, when procuring and implementing the comprehensive child welfare information system, must ensure that, to the extent funding is available, the system:

(1) meets all federal requirements for a comprehensive child welfare information system under Code of Federal Regulations, title 45, section 1355;

(2) meets all state requirements, including those established in Laws 2024, chapter 115, article 12, section 32, and Laws 2024, chapter 115, article 22, section 2, subdivision 2, paragraph (a);

(3) provides comprehensive statewide data reports, including data on law enforcement involvement in the child protection system;

(4) incorporates responsive design capabilities that provide seamless access to the system application from a variety of electronic devices, including but not limited to mobile devices, while ensuring data security and compliance with all federal and state data privacy requirements;

(5) gathers information necessary to implement and ensure compliance with all state and federal laws, including but not limited to the federal Indian Child Welfare Act, the Minnesota Indian Family Preservation Act under Minnesota Statutes, sections 260.751 to 260.836, and the Minnesota African American Family Preservation and Child Welfare Disproportionality Act under Minnesota Statutes, sections 260.61 to 260.693;

(6) allows for integration of Tribal child welfare information systems to support sharing of data when necessary while respecting Tribal data sovereignty; and

(7) addresses other critical system needs identified by the commissioner, which may include needs identified by local social services agencies.

Subd. 3. **Procurement.** The commissioner of children, youth, and families, in collaboration with the commissioner of information technology services, must utilize all paths available to state agencies to ensure expedient procurement of a child welfare information system that meets the requirements under this section, while incorporating compliance needs and functionality, to ensure a modern user experience for stakeholders who provide child welfare services. The commissioners must award the contract based on best value, as defined in Minnesota Statutes, section 16C.02, subdivision 4.

Subd. 4. **Vendor requirements.** In any request for proposal for the comprehensive child welfare information system under this section, the commissioner of children, youth, and families, in collaboration with the commissioner of information technology services, must require an eligible vendor to:

(1) have successfully implemented a child welfare system modernization project in another state, and to provide contacts for references for successful implementation; and

(2) have at least five years of implementation expertise and experience in child welfare system modernization.

Subd. 5. **Stakeholder consultation.** (a) The commissioner of children, youth, and families must consult and collaborate with stakeholders, including frontline child protection workers, during the process of acquiring, implementing, and configuring the comprehensive child welfare system, and ensure that local social services agencies are permitted to participate in system testing before final implementation of any systems or applications.

(b) The commissioner of children, youth, and families must engage in formal consultation with Minnesota Tribal governments under Minnesota Statutes, section 10.65.

Subd. 6. **Reporting.** (a) By March 15, 2026, the commissioner of children, youth, and families must provide the chairs and ranking minority members of the legislative committees with jurisdiction over child welfare and state and local government with a plan and estimated timeline for modernization of the child welfare information system in compliance with state law and federal Comprehensive Child Welfare Information System requirements.

(b) By August 15, 2026, and by each January 15 and July 15 thereafter, the commissioner must provide an update on the child welfare information system modernization efforts and progress toward federal compliance required under this section to the chairs and ranking minority members of the legislative committees with jurisdiction over child welfare and state and local government. This paragraph expires upon the commissioner's report to the chairs and ranking minority members of the legislative committees with jurisdiction over child welfare and state and local government that the modernization required under this section has been substantially completed.

Sec. 7. **SCAN OF AND REPORT ON OUT-OF-SCHOOL AND YOUTH PROGRAMMING.**

(a) The commissioner of children, youth, and families must conduct a scan of out-of-school and youth programming for youth under 21 years of age. The scan may include a review of existing reports, targeted interviews, surveys, and other methodologies, as determined by the commissioner.

(b) When conducting the scan, the commissioner must collaborate with community organizations and programming providers who provide out-of-school and youth programming; parents, youth, and families who participate or have participated in out-of-school and youth programming; and other individuals with expertise in out-of-school and youth programming in order to:

(1) identify different avenues for gathering information; and

(2) collaborate in the outreach and facilitation of focused community engagement.

(c) By July 1, 2026, the commissioner must prepare and submit a final report to the chairs and ranking minority members of the legislative committees with jurisdiction over children, youth, and families. The commissioner may contract with consultants to help with the development of the report. The report must include:

(1) information on current federal, state, Tribal, county, and city out-of-school and youth programs;

(2) school districts that offer enrichment activities;

(3) information on availability and amount of funding sources, the costs to provide the out-of-school and youth programs, and the costs of the programs for families;

(4) any barriers and gaps for families to participate in the out-of-school and youth programming, as identified by findings from the scan under paragraph (a) and in discussions with community members and program providers;

(5) information on the populations participating in out-of-school and youth programming;

(6) differences in programming needs, opportunities, and accessibility between different demographics and different regions of Minnesota; and

(7) recommendations on policy and funding needs, including recommending potential partners for program delivery to expand access to quality out-of-school and youth programming.

(d) By July 1, 2026, the commissioner must present the final report to the chairs and ranking minority members of the legislative committees with jurisdiction over children, youth, and families.

ARTICLE 12

EARLY CARE AND LEARNING POLICY

Section 1. Minnesota Statutes 2024, section 142A.42, is amended to read:

142A.42 DIAPER DISTRIBUTION GRANT PROGRAM.

Subdivision 1. **Establishment; purpose.** The commissioner of children, youth, and families shall establish a diaper distribution program to award ~~competitive grants to eligible applicants~~ a sole-source grant to the Diaper Bank of Minnesota to provide diapers to underresourced families statewide.

Subd. 2. **Eligibility.** To be eligible for a grant under this section, ~~an applicant~~ the Diaper Bank of Minnesota must demonstrate its capacity to distribute diapers statewide by having:

(1) a network of well-established partners for diaper distribution;

(2) the infrastructure needed to efficiently manage diaper procurement and distribution statewide;

(3) relationships with national organizations that support and enhance the work of addressing diaper need;

(4) the ability to engage in building community awareness of diaper need and advocate for diaper need at local, state, and federal levels;

(5) a commitment to and demonstration of working with organizations across ideological and political spectrums;

(6) the ability to address diaper need for children from birth through early childhood; and

(7) a commitment to working within an equity framework by ensuring access to organizations that provide culturally specific services or are located in communities with high concentrations of poverty.

Subd. 3. **Application.** ~~Applicants~~ The Diaper Bank of Minnesota must apply to the commissioner in a form and manner prescribed by the commissioner. Applications must be filed at the times and for the periods determined by the commissioner.

Subd. 4. **Eligible uses of grant money.** ~~An eligible applicant that receives grant money under this section shall~~ The Diaper Bank of Minnesota must use the money awarded under this section to purchase diapers and wipes and may use up to ten percent of the money for administrative costs.

Subd. 5. **Enforcement.** (a) ~~An eligible applicant that receives grant money under this section~~ The Diaper Bank of Minnesota must:

- (1) retain records documenting expenditure of the grant money;
- (2) report to the commissioner on the use of the grant money; and
- (3) comply with any additional requirements imposed by the commissioner.

(b) The commissioner may require that a report submitted under this subdivision include an independent audit.

Sec. 2. Minnesota Statutes 2024, section 142D.21, is amended by adding a subdivision to read:

Subd. 11. **Data.** Data under this section are public except:

(1) data collected on a child's enrollment and attendance under subdivision 3, paragraph (a), clause (2), that may allow for identification of a child or family, as determined by the commissioner, are private data on individuals as defined in section 13.02, subdivision 12;

(2) data related to operating expenses or an individual's employment are private or nonpublic data; and

(3) data for legal nonlicensed child care providers under subdivision 8 are private or nonpublic data.

ARTICLE 13

EARLY CARE AND LEARNING FINANCE

Section 1. Minnesota Statutes 2024, section 142A.76, subdivision 2, is amended to read:

Subd. 2. **Establishment.** The Office of Restorative Practices is established within the Department of ~~Public Safety~~ Children, Youth, and Families. The Office of Restorative Practices shall have the powers and duties described in this section.

Sec. 2. Minnesota Statutes 2024, section 142A.76, subdivision 3, is amended to read:

Subd. 3. **Director; other staff.** (a) The commissioner of ~~public safety~~ children, youth, and families shall appoint a director of the Office of Restorative Practices. The director should have qualifications that include or are similar to the following:

(1) experience in the many facets of restorative justice and practices such as peacemaking circles, sentencing circles, community conferencing, community panels, and family group decision making;

(2) experience in victim-centered and trauma-informed practices;

(3) knowledge of the range of social problems that bring children and families to points of crisis such as poverty, racism, unemployment, and unequal opportunity;

(4) knowledge of the many ways youth become involved in other systems such as truancy, juvenile delinquency, and child protection; and

(5) understanding of educational barriers.

(b) The director shall hire additional staff to perform the duties of the Office of Restorative Practices. The staff shall be in the classified service of the state and their compensation shall be established pursuant to chapter 43A.

Sec. 3. **[142B.68] VIDEO SECURITY CAMERAS IN CHILD CARE CENTERS.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Facility" means the indoor space in which child care is provided that is owned, leased, or operated by a licensed child care center and does not include any outdoor space.

(c) "Video security camera" means a closed-circuit video camera or other closed circuit device that captures or records video.

Subd. 2. **Applicability.** Beginning July 1, 2026, a licensed child care center must have video security cameras in public and shared areas of its facility as provided under subdivision 3 and comply with the requirements of this section if the center is required to post a maltreatment investigation memorandum under section 142B.16, subdivision 5, or 142B.18, subdivision 6. A center must comply with the requirements under this section within six months of when the maltreatment investigation memorandum is posted and must maintain compliance for four years after the memorandum is required to be posted.

Subd. 3. **Requirements for video security cameras.** (a) A licensed child care center must have at least one video security camera in each room designated for infants or toddlers. The camera must be positioned to provide maximum visibility of the room. If one camera is not sufficient to view at least 80 percent of the square footage of the room, the center must place an additional camera or cameras in the room to achieve maximum visibility of the room.

(b) The video security cameras must:

(1) be turned on and recording at all times the licensed child care center is in operation;

(2) record and display the accurate date and time;

(3) have a display resolution of 720p or higher; and

(4) have a frames per second rate of 15 or higher.

(c) A licensed child care center is exempt from having cameras that meet the requirements under paragraph (b), clauses (3) and (4), if the center has cameras as required in paragraph (a) prior to July 1, 2026.

Subd. 4. **Retention and disposal of recordings; access to recordings.** (a) A licensed child care center must retain video security camera recordings for 28 calendar days after the date of the recording. Except as provided under paragraphs (b), (c), and (d), a licensed child care center must dispose of video security camera recordings after 28 calendar days.

(b) A licensed child care center that receives notice from a law enforcement official of a suspected crime committed against a child at the center may not dispose of any video security camera recordings until the law enforcement investigation of the suspected crime is complete.

(c) A licensed child care center must retain video security camera recordings related to an incident that the center must report to the commissioner under Minnesota Rules, part 9503.0130, for six months from the date of the incident.

(d) A licensed child care center may retain video security camera recordings to use for training center employees. Any recordings used for training purposes must redact, as defined under section 13.825, subdivision 1, identifying information on children shown or heard in the recording, unless a parent or legal guardian has provided written consent that the center may use unredacted recordings of the parent's or guardian's child.

(e) A licensed child care center must adhere to additional requirements issued by the commissioner regarding retention and disposal of video security camera recordings.

(f) A licensed child care center must establish appropriate security safeguards for video security camera recordings, including procedures for ensuring that the recordings are only accessible to persons whose work assignment reasonably requires access to the recordings, and are only accessed by those persons for purposes described in the procedure. All queries and responses and all actions in which the recordings are accessed, shared, or disseminated must be recorded, including the day and time of the action and who was involved in the action. Data created pursuant to this paragraph are subject to the same requirements as the underlying recording under this section.

Subd. 5. **Dissemination of recordings.** (a) A licensed child care center must not sell, share, transmit, or disseminate a video security camera recording to any person except as authorized by this subdivision.

(b) A child care center must disseminate a video security camera recording pursuant to a valid court order, search warrant, or subpoena in a civil, criminal, or administrative proceeding, including an investigation by the commissioner.

(c) An employee of a licensed child care center who is the subject of proposed disciplinary action by the center based upon evidence obtained by a video security camera must be given access to that evidence for purposes of defending against the proposed action. An employee who obtains a recording or a copy of the recording must treat the recording or copy confidentially and must not further disseminate it to any other person except as required under law. The employee must not keep the recording or copy or a portion of the recording or copy after the recording is no longer needed for purposes of defending against a proposed action.

Subd. 6. **Exception.** Notwithstanding the requirement to have closed-circuit video security cameras under this section and subdivision 5, paragraph (a), a licensed child care center that, as of July 1, 2026,

provided remote viewing of video footage for parents and legal guardians may continue to do so in the same manner.

Subd. 7. **Hold harmless.** (a) The commissioner may not issue a fix-it ticket, correction order, or order of conditional license against a child care center license holder for a licensing violation that does not imminently endanger the health or safety of the children served by the center, if the only source of evidence for the violation is video security camera recordings reviewed as part of an investigation under subdivision 5, paragraph (b). This paragraph expires upon implementation of the child care weighted risk system under section 142B.171. The commissioner shall notify the revisor of statutes when the system has been implemented.

(b) Upon implementation of the child care weighted risk system under section 142B.171, the commissioner may not take a licensing action against a child care center license holder for a violation that counts as 6.5 or below for a child care center in the weighted risk system, if the only source of evidence for the violation is video security camera recordings reviewed as part of an investigation under subdivision 5, paragraph (b).

Subd. 8. **Written policy required.** A licensed child care center must have a written policy on the center's use of video security cameras that includes the following:

- (1) the days and times the video security cameras in the facility are in use;
- (2) the locations of all areas monitored by video security cameras in the facility;
- (3) the center's retention and disposal policies and procedures for the video security camera recordings;
- (4) the center's policies governing access to the video security camera recordings; and
- (5) the center's security safeguards and procedures regarding employee access to the recordings.

Subd. 9. **Notices.** (a) A licensed child care center must notify all parents and legal guardians who apply to enroll or enroll a child in the center about the use of video security cameras in the facility. At the time of a child's enrollment, the center must provide parents and legal guardians with the video security camera policy required under subdivision 8.

(b) A licensed child care center must post a sign at each facility entrance accessible to visitors that states: "Video security cameras are present to record persons and activities."

Subd. 10. **Data practices.** Video footage collected or maintained by the commissioner under this section is classified as welfare data under section 13.46.

Sec. 4. Minnesota Statutes 2024, section 142D.23, subdivision 3, is amended to read:

Subd. 3. **Eligible uses of money.** Grantees must use money received under this section, either directly or through grants to eligible child care providers, for one or more of the following purposes:

- (1) the purchase of computers or mobile devices for use in business management;
- (2) access to the Internet through the provision of necessary hardware such as routers or modems or by covering the costs of monthly fees for Internet access;
- (3) covering the costs of subscription to child care management software;
- (4) covering the costs of training in the use of technology for business management purposes; ~~or~~

(5) providing grants for up to \$4,000 to licensed child care centers to help cover the costs of video security cameras and related training; or

(5) (6) other services as determined by the commissioner.

Sec. 5. Minnesota Statutes 2024, section 142D.31, subdivision 2, is amended to read:

Subd. 2. **Program components.** (a) The nonprofit organization must use the grant for:

(1) tuition scholarships up to \$10,000 per year in amounts per year consistent with the national TEACH early childhood program requirements for courses leading to the nationally recognized child development associate credential or college-level courses leading to an associate's degree or bachelor's degree in early childhood development and school-age care; and

(2) education incentives of a minimum of \$250 to participants in the tuition scholarship program if they complete a year of working in the early care and education field.

(b) Applicants for the scholarship must be employed by a licensed or certified early childhood or child care program and working directly with children, a licensed family child care provider, employed by a public prekindergarten program, employed by a Head Start program, or an employee in a school-age program exempt from licensing under section 142B.05, subdivision 2, paragraph (a), clause (8). Lower wage earners must be given priority in awarding the tuition scholarships. Scholarship recipients must contribute at least ten percent of the total scholarship and must be sponsored by their employers, who must also contribute at least five percent of the total scholarship. Scholarship recipients who are self-employed work in licensed family child care under Minnesota Rules, chapter 9502, must contribute 20 at least ten percent of the total scholarship and are not required to receive employer sponsorship or employer match.

Sec. 6. Minnesota Statutes 2024, section 142E.03, subdivision 3, is amended to read:

Subd. 3. **Redeterminations.** (a) Notwithstanding Minnesota Rules, part 3400.0180, item A, the county shall conduct a redetermination according to paragraphs (b) and (c).

(b) The county shall use the redetermination form developed by the commissioner. The county must verify the factors listed in subdivision 1, paragraph (a), as part of the redetermination.

(c) An applicant's eligibility must be redetermined no more frequently than every 12 months. The following criteria apply:

(1) a family meets the eligibility redetermination requirements if a complete redetermination form and all required verifications are received within 30 days after the date the form was due;

(2) if the 30th day after the date the form was due falls on a Saturday, Sunday, or holiday, the 30-day time period is extended to include the next day that is not a Saturday, Sunday, or holiday. Assistance shall be payable retroactively from the redetermination due date;

(3) for a family where at least one parent is younger than 21 years of age, does not have a high school degree or commissioner of education-selected high school equivalency certification, and is a student in a school district or another similar program that provides or arranges for child care, parenting, social services, career and employment supports, and academic support to achieve high school graduation, the redetermination of eligibility may be deferred beyond 12 months, to the end of the student's school year; ~~and~~

(4) starting May 25, 2026, if a new eligible child is added to the family and has care authorized, the redetermination of eligibility must be extended 12 months from the eligible child's arrival date; and

~~(4)~~ (5) a family and the family's providers must be notified that the family's redetermination is due at least 45 days before the end of the family's 12-month eligibility period.

Sec. 7. Minnesota Statutes 2024, section 142E.11, subdivision 1, is amended to read:

Subdivision 1. **General authorization requirements.** (a) When authorizing the amount of child care, the county agency must consider the amount of time the parent reports on the application or redetermination form that the child attends preschool, a Head Start program, or school while the parent is participating in an authorized activity.

(b) Care must be authorized and scheduled with a provider based on the applicant's or participant's verified activity schedule when:

(1) the family requests care from more than one provider per child;

(2) the family requests care from a legal nonlicensed provider; or

(3) an applicant or participant is employed by any child care center that is licensed by the Department of Children, Youth, and Families or has been identified as a high-risk Medicaid-enrolled provider.

This paragraph expires March 2, 2026.

(c) If the family remains eligible at redetermination, a new authorization with fewer hours, the same hours, or increased hours may be determined.

Sec. 8. Minnesota Statutes 2024, section 142E.11, subdivision 2, is amended to read:

Subd. 2. **Maintain steady child care authorizations.** (a) Notwithstanding Minnesota Rules, chapter 3400, the amount of child care authorized under section 142E.12 for employment, education, or an MFIP employment plan shall continue at the same number of hours or more hours until redetermination, including:

(1) when the other parent moves in and is employed or has an education plan under section 142E.12, subdivision 3, or has an MFIP employment plan; or

(2) when the participant's work hours are reduced or a participant temporarily stops working or attending an approved education program. Temporary changes include, but are not limited to, a medical leave, seasonal employment fluctuations, or a school break between semesters.

(b) The county may increase the amount of child care authorized at any time if the participant verifies the need for increased hours for authorized activities.

(c) The county may reduce the amount of child care authorized if a parent requests a reduction or because of a change in:

(1) the child's school schedule;

(2) the custody schedule; or

(3) the provider's availability.

(d) The amount of child care authorized for a family subject to subdivision 1, paragraph (b), must change when the participant's activity schedule changes. Paragraph (a) does not apply to a family subject to subdivision 1, paragraph (b). This paragraph expires March 2, 2026.

(e) When a child reaches 13 years of age or a child with a disability reaches 15 years of age, the amount of child care authorized shall continue at the same number of hours or more hours until redetermination.

Sec. 9. Minnesota Statutes 2024, section 142E.13, subdivision 2, is amended to read:

Subd. 2. **Extended eligibility and redetermination.** (a) If the family received three months of extended eligibility and redetermination is not due, to continue receiving child care assistance the participant must be employed or have an education plan that meets the requirements of section 142E.12, subdivision 3, or have an MFIP employment plan. Notwithstanding Minnesota Rules, part 3400.0110, if child care assistance continues, the amount of child care authorized shall continue at the same number or more hours until redetermination, unless a condition in section 142E.11, subdivision 2, paragraph (c), applies. ~~A family subject to section 142E.11, subdivision 1, paragraph (b), shall have child care authorized based on a verified activity schedule.~~

(b) If the family's redetermination occurs before the end of the three-month extended eligibility period to continue receiving child care assistance, the participant must verify that the participant meets eligibility and activity requirements for child care assistance under this chapter. If Notwithstanding Minnesota Rules, part 3400.0110, if child care assistance continues, the amount of child care authorized is based on section 142E.12. ~~A family subject to section 142E.11, subdivision 1, paragraph (b), shall have child care authorized based on a verified activity schedule.~~

EFFECTIVE DATE. This section is effective May 25, 2026.

Sec. 10. Minnesota Statutes 2024, section 142E.15, subdivision 1, is amended to read:

Subdivision 1. **Fee schedule.** All changes to parent fees must be implemented on the first Monday of the service period following the effective date of the change.

PARENT FEE SCHEDULE. The parent fee schedule is as follows, except as noted in subdivision 2:

Income Range (as a percent of the state median income, except <u>for the first tier and</u> at the start of the first <u>second</u> tier)	Co-payment (as a percentage of adjusted gross income)
0-74.99% <u>0-99.99%</u> of federal poverty guidelines	\$0/biweekly
75.00-99.99% of federal poverty guidelines	\$2/biweekly
100.00% of federal poverty guidelines- 27.72% <u>27.99%</u>	2.61% <u>2.6%</u>
27.73-29.04%	2.61%
29.05-30.36%	2.61%
30.37-31.68%	2.61%
31.69-33.00%	2.91%

33.01-34.32%	2.91%
34.33-35.65%	2.91%
35.66-36.96%	2.91%
36.97-38.29%	3.21%
38.30-39.61%	3.21%
39.62-40.93%	3.21%
40.94-42.25%	3.84%
42.26-43.57%	3.84%
43.58-44.89%	4.46%
44.90-46.21%	4.76%
46.22-47.53%	5.05%
47.54-48.85%	5.65%
48.86-50.17%	5.95%
50.18-51.49%	6.24%
51.50-52.81%	6.84%
52.82-54.13%	7.58%
54.14-55.45%	8.33%
55.46-56.77%	9.20%
56.78-58.09%	10.07%
58.10-59.41%	10.94%
59.42-60.73%	11.55%
60.74-62.06%	12.16%
62.07-63.38%	12.77%
63.39-64.70%	13.38%
64.71-67.00%	14.00%
<u>28.00-30.99%</u>	<u>2.6%</u>
<u>31.00-33.99%</u>	<u>2.6%</u>
<u>34.00-36.99%</u>	<u>2.9%</u>
<u>37.00-39.99%</u>	<u>3.2%</u>

<u>40.00-42.99%</u>	<u>3.8%</u>
<u>43.00-45.99%</u>	<u>4.4%</u>
<u>46.00-48.99%</u>	<u>5.0%</u>
<u>49.00-51.99%</u>	<u>5.6%</u>
<u>52.00-54.99%</u>	<u>6.2%</u>
<u>55.00-57.99%</u>	<u>6.8%</u>
<u>58.00-60.99%</u>	<u>6.9%</u>
<u>61.00-63.99%</u>	<u>6.9%</u>
<u>64.00-67.00%</u>	<u>6.9%</u>
Greater than 67.00%	ineligible

A family's biweekly co-payment fee is the fixed percentage established for the income range multiplied by the ~~highest~~ lowest possible income within that income range.

EFFECTIVE DATE. This section is effective October 9, 2028.

Sec. 11. Minnesota Statutes 2024, section 142E.16, subdivision 3, is amended to read:

Subd. 3. **Training required.** (a) Prior to initial authorization as required in subdivision 1, a legal nonlicensed family child care provider must complete first aid and CPR training and provide the verification of first aid and CPR training to the commissioner. The training documentation must have valid effective dates as of the date the registration request is submitted to the commissioner. The training must have been provided by an individual approved to provide first aid and CPR instruction and have included CPR techniques for infants and children.

(b) Upon each reauthorization after the authorization period when the initial first aid and CPR training requirements are met, a legal nonlicensed family child care provider must provide verification of at least eight hours of additional training listed in the Minnesota Center for Professional Development Registry.

(c) Every 12 months, a legal nonlicensed family child care provider who is unrelated to the child they care for must complete two hours of training in caring for children approved by the commissioner.

~~(c)~~ (d) This subdivision only applies to legal nonlicensed family child care providers.

EFFECTIVE DATE. This section is effective October 1, 2025.

Sec. 12. Minnesota Statutes 2024, section 142E.16, subdivision 7, is amended to read:

Subd. 7. **Record-keeping requirement.** (a) As a condition of payment, all providers receiving child care assistance payments must:

(1) keep accurate and legible daily attendance records at the site where services are delivered for children receiving child care assistance; ~~and~~

(2) make those records available immediately to the county or the commissioner upon request. Any records not provided to a county or the commissioner at the date and time of the request are deemed inadmissible if offered as evidence by the provider in any proceeding to contest an overpayment or disqualification of the provider; and

(3) submit data on child enrollment and attendance in the form and manner specified by the commissioner.

(b) As a condition of payment, attendance records must be completed daily and include the date, the first and last name of each child in attendance, and the times when each child is dropped off and picked up. To the extent possible, the times that the child was dropped off to and picked up from the child care provider must be entered by the person dropping off or picking up the child. The daily attendance records must be retained at the site where services are delivered for six years after the date of service.

(c) When the county or the commissioner knows or has reason to believe that a current or former provider has not complied with the record-keeping requirement in this subdivision:

(1) the commissioner may:

(i) deny or revoke a provider's authorization to receive child care assistance payments under section 142E.17, subdivision 9, paragraph (d);

(ii) pursue an administrative disqualification under sections 142E.51, subdivision 5, and 256.98; or

(iii) take an action against the provider under ~~sections 142E.50 to 142E.58~~ section 142E.51; or

(2) a county or the commissioner may establish an attendance record overpayment under paragraph (d).

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

(e) The commissioner shall develop criteria for a county to determine an attendance record overpayment under this subdivision.

EFFECTIVE DATE. This section is effective June 22, 2026.

Sec. 13. Minnesota Statutes 2024, section 245.0962, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The commissioner of ~~human services~~ children, youth, and families must establish a quality parenting initiative grant program to implement quality parenting initiative principles and practices to support children and families experiencing foster care placements.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 14. Minnesota Statutes 2024, section 245.975, subdivision 1, is amended to read:

Subdivision 1. **Creation and appointment.** The Office of the Ombudsperson for Family Child Care Providers is hereby created. The governor shall appoint an ombudsperson in the unclassified service to assist family child care providers with licensing, compliance, and other issues facing family child care providers. The ombudsperson must be selected without regard to the person's political affiliation and must have been a licensed family child care provider for at least three years. The ombudsperson shall serve a term of four years, which may be renewed, and may be removed prior to the end of the term for just cause.

Sec. 15. Laws 2021, First Special Session chapter 7, article 2, section 81, is amended to read:

Sec. 81. FAMILY CHILD CARE REGULATION MODERNIZATION.

(a) The commissioner of ~~human services shall~~ children, youth, and families must contract with an experienced and independent organization or individual consultant to conduct the work outlined in this section. If practicable, the commissioner must contract with the National Association for Regulatory Administration.

(b) The consultant must develop a proposal for updated family child care licensing standards and solicit input from stakeholders as described in paragraph (d). The proposed new standards must protect the health and safety of children in family child care programs and be child centered, family friendly, and fair to providers.

(c) The consultant must ~~work with stakeholders and the Department of Children, Youth, and Families, as described in paragraph (d), to develop a proposal for a risk-based model for monitoring compliance with family child care licensing standards, grounded in national regulatory best practices.~~ Violations in the new model must be weighted to reflect the potential risk they pose to children's health and safety, and licensing sanctions must be tied to the potential risk. ~~The proposed new model must protect the health and safety of children in family child care programs and be child-centered, family friendly, and fair to providers.~~

(d) The consultant ~~shall~~ must develop and implement a stakeholder engagement process that solicits input from parents, licensed family child care providers, county licensors, staff of the Department of ~~Human Services~~ Children, Youth, and Families, and experts in child development about licensing standards, tiers for violations of the standards based on the potential risk of harm that each violation poses, and licensing sanctions for each tier. The consultant and commissioner must engage with working groups of licensed family child care providers at least five times throughout the stakeholder engagement process, and include both daytime and evening engagement opportunities as needed.

(e) The consultant shall solicit input from parents, licensed family child care providers, county licensors, and staff of the Department of ~~Human Services~~ Children, Youth, and Families about which family child care providers should be eligible for abbreviated inspections that predict compliance with other licensing standards for licensed family child care providers using key indicators previously identified by an empirically based statistical methodology developed by the National Association for Regulatory Administration and the Research Institute for Key Indicators.

(f) No later than ~~February~~ January 1, 2024 ~~2026~~, the commissioner ~~shall~~ must submit a report and proposed legislation required to implement the new licensing model and the new licensing standards to the chairs and ranking minority members of the legislative committees with jurisdiction over child care regulation. Throughout the drafting of the report and proposed legislation required under this paragraph, the commissioner must engage providers whose primary language is not English to have those providers review translated drafts of the report and written materials provided at engagement sessions to provide feedback on the draft standards. This engagement must occur within focus groups or meetings that are held at convenient times for the providers, including both daytime and evening sessions.

(g) The proposals developed under paragraphs (b) and (c); any presentations, summary documents, engagement invitations, surveys, and drafts of the report used in the stakeholder engagement process under paragraph (d) or when soliciting input under paragraph (e); and the report required under paragraph (f) must also be made available in Hmong, Somali, and Spanish.

(h) The updated family child care licensing standards proposed under paragraph (b) and the risk-based model for monitoring compliance with family child care licensing standards proposed under paragraph (c) must not be implemented any earlier than January 1, 2027.

Sec. 16. ELIMINATING SCHEDULE REPORTER DESIGNATION.

Notwithstanding Minnesota Statutes, section 142E.04, subdivisions 6, 7, and 8, the commissioner of children, youth, and families must allocate additional basic sliding fee child care money for calendar years 2026 and 2027 to counties and Tribes to account for eliminating the schedule reporter designation in the child care assistance program. In allocating the additional money, the commissioner shall consider:

- (1) the number of children who are in schedule reporter families; and
- (2) the average basic sliding fee cost of care in the county or Tribe.

Sec. 17. CHILDREN AND FAMILIES INFORMATION TECHNOLOGY SYSTEMS MODERNIZATION.

Subdivision 1. **Direction to commissioner.** To the extent there is funding available under Laws 2023, chapter 70, article 12, section 32, for these purposes in the state systems account established under Minnesota Statutes, section 142A.04, subdivision 2, the commissioner of children, youth, and families must establish and implement the information technology systems described under this section and support ongoing maintenance for the systems.

Subd. 2. **Family common application tool.** The commissioner must establish and implement an application tool that allows families to apply for available early care and education support programs. The application tool must:

- (1) provide integrated support in multiple languages, including real-time translation capabilities;
- (2) include an eligibility screener;
- (3) to the extent possible, include capability for automatic pre-population of known family data aligned with state identity validation tools and processes;
- (4) enable application completion and submission across multiple programs and services;
- (5) integrate selection tool for early care and education programs; and
- (6) operate using the software as a service model that ensures frequent maintenance and user experience updates.

Subd. 3. **Payments system.** The commissioner must establish and implement a centralized, integrated payment system for early care and education funding streams that:

- (1) integrates seamlessly with the existing provider licensing and reporting hub;
- (2) implements real-time payment processing and cash management capabilities, including instant fund transfers and automated reconciliation;
- (3) incorporates robust security measures, including fraud detection and prevention;
- (4) enables automated compliance with state and federal reporting requirements;

(5) provides a user-friendly interface with mobile accessibility for child care providers to manage invoices and payments;

(6) ensures interoperability with other relevant state systems and databases; and

(7) implements data quality monitoring and reporting tools to support decision making.

Subd. 4. **Reporting requirements.** The commissioner must provide quarterly implementation updates to the chairs and minority leads of the committees with jurisdiction over programs for children and families. The quarterly updates must describe the department's progress toward establishing and implementing the information technology systems under this section. The quarterly updates must continue until either the systems are fully implemented or the department no longer has sufficient funding for the purposes identified in this section.

Sec. 18. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 245.0962, as Minnesota Statutes, section 142A.47. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 19. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 142D.12, subdivision 3, as Minnesota Statutes, section 120B.121. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

Sec. 20. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 124D.129, as Minnesota Statutes, section 142A.48. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

ARTICLE 14

DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES LICENSING AND CERTIFICATION POLICY

Section 1. Minnesota Statutes 2024, section 142B.01, is amended by adding a subdivision to read:

Subd. 12a. **Education.** For purposes of child care centers, "education" means accredited coursework in behavior guidance, child abuse and neglect prevention, child development, child health and safety, child health and wellness, child nutrition, child psychology, child study techniques, children with special needs, communication studies, computer science, coordination of community and school activities, cultural studies, curriculum planning, early childhood education, early childhood special education, elementary education, elementary special education, English language arts, ethics, family studies, history, mathematics, music, parent involvement, psychology, recreational sports, arts and crafts methods or theory, science, social studies, sociology, or other coursework approved by the commissioner.

EFFECTIVE DATE. This section is effective August 1, 2025.

Sec. 2. Minnesota Statutes 2024, section 142B.10, subdivision 14, is amended to read:

Subd. 14. **Grant of license; license extension.** (a) If the commissioner determines that the program complies with all applicable rules and laws, the commissioner shall issue a license consistent with this section or, if applicable, a temporary change of ownership license under section 142B.11. At minimum, the license shall state:

- (1) the name of the license holder;
- (2) the address of the program;
- (3) the effective date and expiration date of the license;
- (4) the type of license;
- (5) the maximum number and ages of persons that may receive services from the program; and
- (6) any special conditions of licensure.

(b) The commissioner may issue a license for a period not to exceed two years if:

(1) the commissioner is unable to conduct the observation required by subdivision 11, paragraph (a), clause (3), because the program is not yet operational;

(2) certain records and documents are not available because persons are not yet receiving services from the program; and

(3) the applicant complies with applicable laws and rules in all other respects.

(c) A decision by the commissioner to issue a license does not guarantee that any person or persons will be placed or cared for in the licensed program.

(d) Except as provided in paragraphs (i) and (j), the commissioner shall not issue a license if the applicant, license holder, or an affiliated controlling individual has:

(1) been disqualified and the disqualification was not set aside and no variance has been granted;

(2) been denied a license under this chapter or chapter 245A within the past two years;

(3) had a license issued under this chapter or chapter 245A revoked within the past five years; or

(4) failed to submit the information required of an applicant under subdivision 1, paragraph (f), (g), or (h), after being requested by the commissioner.

When a license issued under this chapter or chapter 245A is revoked, the license holder and each affiliated controlling individual with a revoked license may not hold any license under chapter 142B for five years following the revocation, and other licenses held by the applicant or license holder or licenses affiliated with each controlling individual shall also be revoked.

(e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license affiliated with a license holder or controlling individual that had a license revoked within the past five years if the commissioner determines that (1) the license holder or controlling individual is operating the program in substantial compliance with applicable laws and rules and (2) the program's continued operation is in the best interests of the community being served.

(f) Notwithstanding paragraph (d), the commissioner may issue a new license in response to an application that is affiliated with an applicant, license holder, or controlling individual that had an application denied within the past two years or a license revoked within the past five years if the commissioner determines that (1) the applicant or controlling individual has operated one or more programs in substantial compliance with applicable laws and rules and (2) the program's operation would be in the best interests of the community to be served.

(g) In determining whether a program's operation would be in the best interests of the community to be served, the commissioner shall consider factors such as the number of persons served, the availability of alternative services available in the surrounding community, the management structure of the program, whether the program provides culturally specific services, and other relevant factors.

(h) The commissioner shall not issue or reissue a license under this chapter if an individual living in the household where the services will be provided as specified under section 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside and no variance has been granted.

(i) Pursuant to section 142B.18, subdivision 1, paragraph (b), when a license issued under this chapter has been suspended or revoked and the suspension or revocation is under appeal, the program may continue to operate pending a final order from the commissioner. If the license under suspension or revocation will expire before a final order is issued, a temporary provisional license may be issued provided any applicable license fee is paid before the temporary provisional license is issued.

(j) Notwithstanding paragraph (i), when a revocation is based on the disqualification of a controlling individual or license holder, and the controlling individual or license holder is ordered under section 245C.17 to be immediately removed from direct contact with persons receiving services or is ordered to be under continuous, direct supervision when providing direct contact services, the program may continue to operate only if the program complies with the order and submits documentation demonstrating compliance with the order. If the disqualified individual fails to submit a timely request for reconsideration, or if the disqualification is not set aside and no variance is granted, the order to immediately remove the individual from direct contact or to be under continuous, direct supervision remains in effect pending the outcome of a hearing and final order from the commissioner.

(k) For purposes of reimbursement for meals only, under the Child and Adult Care Food Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A, part 226, relocation within the same county by a licensed family day care provider, shall be considered an extension of the license for a period of no more than 30 calendar days or until the new license is issued, whichever occurs first, provided the county agency has determined the family day care provider meets licensure requirements at the new location.

(l) Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must ~~apply for and be granted~~ comply with the requirements in section 142B.12 and be reissued a new license to operate the program or the program must not be operated after the expiration date. Child foster care license holders must apply for and be granted a new license to operate the program or the program must not be operated after the expiration date. Upon implementation of the provider licensing and reporting hub, licenses may be issued each calendar year.

(m) The commissioner shall not issue or reissue a license under this chapter if it has been determined that a tribal licensing authority has established jurisdiction to license the program or service.

(n) The commissioner of children, youth, and families shall coordinate and share data with the commissioner of human services to enforce this section.

Sec. 3. Minnesota Statutes 2024, section 142B.16, subdivision 2, is amended to read:

Subd. 2. **Reconsideration of correction orders.** (a) If the applicant or license holder believes that the contents of the commissioner's correction order are in error, the applicant or license holder may ask the Department of Children, Youth, and Families to reconsider the parts of the correction order that are alleged to be in error. The request for reconsideration must be made in writing and must be postmarked and sent to the commissioner within 20 calendar days after receipt of the correction order under this paragraph, or receipt of the interpretive guidance under paragraph (d), by the applicant or license holder or submitted in the provider licensing and reporting hub within 20 calendar days from the date the commissioner issued the order under this paragraph, or provided the interpretive guidance under paragraph (d), through the hub, and:

- (1) specify the parts of the correction order that are alleged to be in error;
- (2) explain why they are in error; and
- (3) include documentation to support the allegation of error.

(b) Upon implementation of the provider licensing and reporting hub, the provider must use the hub to request reconsideration under this paragraph, or to request interpretive guidance under paragraph (d). A request for reconsideration does not stay any provisions or requirements of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14.

~~(b)~~ (c) This paragraph applies only to licensed family child care providers. A licensed family child care provider who requests reconsideration of a correction order under paragraph (a) may also request, on a form and in the manner prescribed by the commissioner, that the commissioner expedite the review if:

(1) the provider is challenging a violation and provides a description of how complying with the corrective action for that violation would require the substantial expenditure of funds or a significant change to their program; and

(2) describes what actions the provider will take in lieu of the corrective action ordered to ensure the health and safety of children in care pending the commissioner's review of the correction order.

(d) Prior to a request for reconsideration under paragraph (a), if the applicant or license holder believes that the applicable rule or statute is ambiguous or the commissioner's interpretation of the applicable rule or statute is in error, the applicant or license holder may ask the Department of Children, Youth, and Families to provide interpretive guidance on the applicable rule or statute underlying the correction order.

(e) The commissioner must not publicly post the correction order for licensed child care centers or licensed family child care providers on the department's website until:

- (1) after the 20-calendar-day period for requesting reconsideration; or
- (2) if the applicant or license holder requested reconsideration, after the commissioner's disposition of a request for reconsideration is provided to the applicant or license holder.

EFFECTIVE DATE. This section is effective July 1, 2026, except that paragraph (e) is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of children, youth, and families must notify the revisor of statutes when federal approval is obtained.

Sec. 4. Minnesota Statutes 2024, section 142B.16, subdivision 5, is amended to read:

Subd. 5. **Requirement to post conditional license.** For licensed family child care providers and child care centers, upon receipt of any order of conditional license issued by the commissioner under this section, and notwithstanding a pending request for reconsideration of the order of conditional license by the license holder, the license holder shall post the order of conditional license in a place that is conspicuous to the people receiving services and all visitors to the facility for two years. When the order of conditional license is accompanied by a maltreatment investigation memorandum prepared under section 626.557 or chapter 260E, the investigation memoranda must be posted with the order of conditional license, and the license holder must post both in a place that is conspicuous to the people receiving services and all visitors to the facility for four years.

Sec. 5. Minnesota Statutes 2024, section 142B.171, subdivision 2, is amended to read:

Subd. 2. **Documented technical assistance.** (a) In lieu of a correction order under section 142B.16, the commissioner shall provide documented technical assistance to a family child care or child care center license holder if the commissioner finds that:

(1) the license holder has failed to comply with a requirement in this chapter or Minnesota Rules, chapter 9502 or 9503, that the commissioner determines to be low risk as determined by the child care weighted risk system;

(2) the noncompliance does not imminently endanger the health, safety, or rights of the persons served by the program; and

(3) the license holder did not receive documented technical assistance or a correction order for the same violation at the license holder's most recent annual licensing inspection.

(b) Documented technical assistance must include communication from the commissioner to the license holder that:

(1) states the conditions that constitute a violation of a law or rule;

(2) references the specific law or rule violated; and

(3) explains remedies for correcting the violation.

~~(c) The commissioner shall not publicly publish documented technical assistance on the department's website.~~

Sec. 6. Minnesota Statutes 2024, section 142B.18, subdivision 6, is amended to read:

Subd. 6. **Requirement to post licensing order or fine.** For licensed family child care providers and child care centers, upon receipt of any order of license suspension, temporary immediate suspension, fine, or revocation issued by the commissioner under this section, and notwithstanding a pending appeal of the order of license suspension, temporary immediate suspension, fine, or revocation by the license holder, the license holder shall post the order of license suspension, temporary immediate suspension, fine, or revocation in a place that is conspicuous to the people receiving services and all visitors to the facility for two years. When the order of license suspension, temporary immediate suspension, fine, or revocation is accompanied by a maltreatment investigation memorandum prepared under section 626.557 or chapter 260E, the investigation memoranda must be posted with the order of license suspension, temporary immediate

suspension, fine, or revocation, and the license holder must post both in a place that is conspicuous to the people receiving services and all visitors to the facility for four years.

Sec. 7. Minnesota Statutes 2024, section 142B.30, subdivision 1, is amended to read:

Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private agencies that have been designated or licensed by the commissioner to perform licensing functions and activities under section 142B.10; to recommend denial of applicants under section 142B.15; to issue correction orders, to issue variances, and to recommend a conditional license under section 142B.16; or to recommend suspending or revoking a license or issuing a fine under section 142B.18, shall comply with rules and directives of the commissioner governing those functions and with this section. The following variances are excluded from the delegation of variance authority and may be issued only by the commissioner:

- (1) dual licensure of family child care and family child foster care;
 - (2) child foster care maximum age requirement;
 - (3) variances regarding disqualified individuals;
 - (4) variances to requirements relating to chemical use problems of a license holder or a household member of a license holder; and
 - (5) variances to section 142B.74 for a time-limited period. If the commissioner grants a variance under this clause, the license holder must provide notice of the variance to all parents and guardians of the children in care.
- (b) The commissioners of human services and children, youth, and families must both approve a variance for dual licensure of family child foster care and family adult foster care or family adult foster care and family child care. Variances under this paragraph are excluded from the delegation of variance authority and may be issued only by both commissioners.
- (c) Except as provided in section 142B.41, subdivision 4, paragraph (e), a county agency must not grant a license holder a variance to exceed the maximum allowable family child care license capacity of 14 children.
- (d) A county agency that has been designated by the commissioner to issue family child care variances must:
- (1) publish the county agency's policies and criteria for issuing variances on the county's public website and update the policies as necessary; and
 - (2) annually distribute the county agency's policies and criteria for issuing variances to all family child care license holders in the county.
- (e) Before the implementation of NETStudy 2.0, county agencies must report information about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the commissioner at least monthly in a format prescribed by the commissioner.
- (f) For family child care programs, the commissioner shall require a county agency to conduct one unannounced licensing review at least annually.

(g) A child foster care license issued under this section may be issued for up to two years until implementation of the provider licensing and reporting hub. Upon implementation of the provider licensing and reporting hub, licenses may be issued each calendar year.

(h) A county agency shall report to the commissioner, in a manner prescribed by the commissioner, the following information for a licensed family child care program:

(1) the results of each licensing review completed, including the date of the review, and any licensing correction order issued;

(2) any death, serious injury, or determination of substantiated maltreatment; and

(3) any fires that require the service of a fire department within 48 hours of the fire. The information under this clause must also be reported to the state fire marshal within two business days of receiving notice from a licensed family child care provider.

Sec. 8. Minnesota Statutes 2024, section 142B.41, is amended by adding a subdivision to read:

Subd. 14. **Staff distribution.** Notwithstanding Minnesota Rules, part 9503.0040, subpart 2, item B, a child care aide in a licensed child care center may substitute for a teacher during morning arrival and afternoon departure times if the total arrival and departure time does not exceed 25 percent of the center's daily hours of operation. For a child care aide to be substituted for a teacher under this subdivision, the child care aide must:

(1) be 18 years of age or older;

(2) have been employed by the child care center for a minimum of 30 days; and

(3) have completed the training required under section 142B.65, including orientation training and the training required within the first 90 days of employment.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 9. Minnesota Statutes 2024, section 142B.51, subdivision 2, is amended to read:

Subd. 2. **Child passenger restraint systems; training requirement.** (a) Programs licensed by the Department of Human Services under chapter 245A or the Department of Children, Youth, and Families under this chapter and Minnesota Rules, chapter 2960, that serve a child or children under ~~eight~~ nine years of age must document training that fulfills the requirements in this subdivision.

(b) Before a license holder, staff person, or caregiver transports a child or children under age ~~eight~~ nine in a motor vehicle, the person transporting the child must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles. Training completed under this section may be used to meet initial or ongoing training under Minnesota Rules, part 2960.3070, subparts 1 and 2.

(c) Training required under this section must be completed at orientation or initial training and repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(d) Training under paragraph (c) must be provided by individuals who are certified and approved by the Office of Traffic Safety within the Department of Public Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

~~(e) Notwithstanding paragraph (a), for an emergency relative placement under section 142B.06, the commissioner may grant a variance to the training required by this subdivision for a relative who completes a child seat safety check up. The child seat safety check up trainer must be approved by the Department of Public Safety, Office of Traffic Safety, and must provide one-on-one instruction on placing a child of a specific age in the exact child passenger restraint in the motor vehicle in which the child will be transported. Once granted a variance, and if all other licensing requirements are met, the relative applicant may receive a license and may transport a relative foster child younger than eight years of age. A child seat safety check up must be completed each time a child requires a different size car seat according to car seat and vehicle manufacturer guidelines. A relative license holder must complete training that meets the other requirements of this subdivision prior to placement of another foster child younger than eight years of age in the home or prior to the renewal of the child foster care license.~~

EFFECTIVE DATE. This section is effective January 1, 2026, except paragraph (e), which is effective July 1, 2026.

Sec. 10. Minnesota Statutes 2024, section 142B.65, subdivision 8, is amended to read:

Subd. 8. **Child passenger restraint systems; training requirement.** (a) Before a license holder transports a child or children under age ~~eight~~ nine in a motor vehicle, the person placing the child or children in a passenger restraint must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles.

(b) Training required under this subdivision must be repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(c) Training required under this subdivision must be provided by individuals who are certified and approved by the Department of Public Safety, Office of Traffic Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

(d) Child care providers that only transport school-age children as defined in section 142B.01, subdivision 25, in child care buses as defined in section 169.448, subdivision 1, paragraph (e), are exempt from this subdivision.

(e) Training completed under this subdivision may be used to meet in-service training requirements under subdivision 9. Training completed within the previous five years is transferable upon a staff person's change in employment to another child care center.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 11. Minnesota Statutes 2024, section 142B.65, subdivision 9, is amended to read:

Subd. 9. **In-service training.** (a) A license holder must ensure that the center director, staff persons, substitutes, and unsupervised volunteers complete in-service training each calendar year.

(b) The center director and staff persons who work more than 20 hours per week must complete 24 hours of in-service training each calendar year. Staff persons who work 20 hours or less per week must complete 12 hours of in-service training each calendar year. Substitutes and unsupervised volunteers must complete at least two hours of training each year, and the training must include the requirements of paragraphs (d) to (g) ~~and do not otherwise have a minimum number of hours of training to complete.~~

(c) The number of in-service training hours may be prorated for ~~individuals~~ center directors and staff persons not employed for an entire year.

(d) Each year, in-service training must include:

(1) the center's procedures for maintaining health and safety according to section 142B.66 and Minnesota Rules, part 9503.0140, and handling emergencies and accidents according to Minnesota Rules, part 9503.0110;

(2) the reporting responsibilities under chapter 260E and Minnesota Rules, part 9503.0130;

(3) at least one-half hour of training on the standards under section 142B.46 and on reducing the risk of sudden unexpected infant death as required under subdivision 6, if applicable; and

(4) at least one-half hour of training on the risk of abusive head trauma from shaking infants and young children as required under subdivision 7, if applicable.

(e) Each year, or when a change is made, whichever is more frequent, in-service training must be provided on: (1) the center's risk reduction plan under section 142B.54, subdivision 2; and (2) a child's individual child care program plan as required under Minnesota Rules, part 9503.0065, subpart 3.

(f) At least once every two calendar years, the in-service training must include:

(1) child development and learning training under subdivision 3;

(2) pediatric first aid that meets the requirements of subdivision 4;

(3) pediatric cardiopulmonary resuscitation training that meets the requirements of subdivision 5;

(4) cultural dynamics training to increase awareness of cultural differences; and

(5) disabilities training to increase awareness of differing abilities of children.

(g) At least once every five years, in-service training must include child passenger restraint training that meets the requirements of subdivision 8, if applicable.

(h) The remaining hours of the in-service training requirement must be met by completing training in the following content areas of the Minnesota Knowledge and Competency Framework:

(1) Content area I: child development and learning;

(2) Content area II: developmentally appropriate learning experiences;

(3) Content area III: relationships with families;

(4) Content area IV: assessment, evaluation, and individualization;

(5) Content area V: historical and contemporary development of early childhood education;

(6) Content area VI: professionalism;

(7) Content area VII: health, safety, and nutrition; and

(8) Content area VIII: application through clinical experiences.

(i) For purposes of this subdivision, the following terms have the meanings given them.

(1) "Child development and learning training" means training in understanding how children develop physically, cognitively, emotionally, and socially and learn as part of the children's family, culture, and community.

(2) "Developmentally appropriate learning experiences" means creating positive learning experiences, promoting cognitive development, promoting social and emotional development, promoting physical development, and promoting creative development.

(3) "Relationships with families" means training on building a positive, respectful relationship with the child's family.

(4) "Assessment, evaluation, and individualization" means training in observing, recording, and assessing development; assessing and using information to plan; and assessing and using information to enhance and maintain program quality.

(5) "Historical and contemporary development of early childhood education" means training in past and current practices in early childhood education and how current events and issues affect children, families, and programs.

(6) "Professionalism" means training in knowledge, skills, and abilities that promote ongoing professional development.

(7) "Health, safety, and nutrition" means training in establishing health practices, ensuring safety, and providing healthy nutrition.

(8) "Application through clinical experiences" means clinical experiences in which a person applies effective teaching practices using a range of educational programming models.

(j) The license holder must ensure that documentation, as required in subdivision 10, includes the number of total training hours required to be completed, name of the training, the Minnesota Knowledge and Competency Framework content area, number of hours completed, and the director's approval of the training.

(k) In-service training completed by a staff person that is not specific to that child care center is transferable upon a staff person's change in employment to another child care program.

Sec. 12. Minnesota Statutes 2024, section 142B.66, subdivision 3, is amended to read:

Subd. 3. **Emergency preparedness.** (a) A licensed child care center must have a written emergency plan for emergencies that require evacuation, sheltering, or other protection of a child, such as fire, natural disaster, intruder, or other threatening situation that may pose a health or safety hazard to a child. The plan must be written on a form developed by the commissioner and must include:

(1) procedures for an evacuation, relocation, shelter-in-place, or lockdown;

(2) a designated relocation site and evacuation route;

(3) procedures for notifying a child's parent or legal guardian of the evacuation, relocation, shelter-in-place, or lockdown, including procedures for reunification with families;

- (4) accommodations for a child with a disability or a chronic medical condition;
 - (5) procedures for storing a child's medically necessary medicine that facilitates easy removal during an evacuation or relocation;
 - (6) procedures for continuing operations in the period during and after a crisis;
 - (7) procedures for communicating with local emergency management officials, law enforcement officials, or other appropriate state or local authorities; and
 - (8) accommodations for infants and toddlers.
- (b) The license holder must train staff persons on the emergency plan at orientation, when changes are made to the plan, and at least once each calendar year. Training must be documented in each staff person's personnel file.
- (c) The license holder must conduct drills according to the requirements in Minnesota Rules, part 9503.0110, subpart 3. The date and time of the drills must be documented.
- (d) The license holder must review and update the emergency plan ~~annually~~ each calendar year. Documentation of the ~~annual~~ yearly emergency plan review shall be maintained in the program's administrative records.
- (e) The license holder must include the emergency plan in the program's policies and procedures as specified under section 142B.10, subdivision 21. The license holder must provide a physical or electronic copy of the emergency plan to the child's parent or legal guardian upon enrollment.
- (f) The relocation site and evacuation route must be posted in a visible place as part of the written procedures for emergencies and accidents in Minnesota Rules, part 9503.0140, subpart 21.

Sec. 13. Minnesota Statutes 2024, section 142B.70, subdivision 7, is amended to read:

Subd. 7. **Child passenger restraint systems; training requirement.** (a) A license holder must comply with all seat belt and child passenger restraint system requirements under section 169.685.

(b) Family and group family child care programs licensed by the Department of Children, Youth, and Families that serve a child or children under ~~eight~~ nine years of age must document training that fulfills the requirements in this subdivision.

(1) Before a license holder, second adult caregiver, substitute, or helper transports a child or children under age ~~eight~~ nine in a motor vehicle, the person placing the child or children in a passenger restraint must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles. Training completed under this subdivision may be used to meet initial training under subdivision 1 or ongoing training under subdivision 8.

(2) Training required under this subdivision must be at least one hour in length, completed at initial training, and repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(3) Training under this subdivision must be provided by individuals who are certified and approved by the Department of Public Safety, Office of Traffic Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

(c) Child care providers that only transport school-age children as defined in section 142B.01, subdivision 13, paragraph (f), in child care buses as defined in section 169.448, subdivision 1, paragraph (e), are exempt from this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 14. Minnesota Statutes 2024, section 142B.70, subdivision 8, is amended to read:

Subd. 8. **Training requirements for family and group family child care.** (a) For purposes of family and group family child care, the license holder and each second adult caregiver must complete 16 hours of ongoing training each year. Repeat of topical training requirements in subdivisions 3 to 9 shall count toward the annual 16-hour training requirement. Additional ongoing training subjects to meet the annual 16-hour training requirement must be selected from the following areas:

(1) child development and learning training in understanding how a child develops physically, cognitively, emotionally, and socially, and how a child learns as part of the child's family, culture, and community;

(2) developmentally appropriate learning experiences, including training in creating positive learning experiences, promoting cognitive development, promoting social and emotional development, promoting physical development, promoting creative development; and behavior guidance;

(3) relationships with families, including training in building a positive, respectful relationship with the child's family;

(4) assessment, evaluation, and individualization, including training in observing, recording, and assessing development; assessing and using information to plan; and assessing and using information to enhance and maintain program quality;

(5) historical and contemporary development of early childhood education, including training in past and current practices in early childhood education and how current events and issues affect children, families, and programs;

(6) professionalism, including training in knowledge, skills, and abilities that promote ongoing professional development; and

(7) health, safety, and nutrition, including training in establishing healthy practices; ensuring safety; and providing healthy nutrition.

(b) A provider who is approved as a trainer through the Develop data system may count up to two hours of training instruction toward the annual 16-hour training requirement in paragraph (a). The provider may only count training instruction hours for the first instance in which they deliver a particular content-specific training during each licensing year. Hours counted as training instruction must be approved through the Develop data system with attendance verified on the trainer's individual learning record and must be in Knowledge and Competency Framework content area VII A (Establishing Healthy Practices) or B (Ensuring Safety).

(c) Substitutes and adult caregivers who provide care for 500 or fewer hours per year must complete a minimum of one hour of training each calendar year, and the training must include the requirements in subdivisions 3, 4, 5, 6, and 9.

Sec. 15. Minnesota Statutes 2024, section 142C.06, is amended by adding a subdivision to read:

Subd. 4. Requirement to post conditional certification. Upon receipt of any order of conditional certification issued by the commissioner under this section, and notwithstanding a pending request for reconsideration of the order of conditional certification by the certification holder, the certification holder shall post the order of conditional certification in a place that is conspicuous to the people receiving services and all visitors to the facility for the duration of the conditional certification. When the order of conditional certification is accompanied by a maltreatment investigation memorandum prepared under chapter 260E, the investigation memoranda must be posted with the order of conditional certification.

Sec. 16. Minnesota Statutes 2024, section 142C.11, subdivision 8, is amended to read:

Subd. 8. Required policies. A certified center must have written policies for health and safety items in subdivisions 1 to 6, 9, and 10.

Sec. 17. Minnesota Statutes 2024, section 142C.12, subdivision 1, is amended to read:

Subdivision 1. First aid and cardiopulmonary resuscitation. (a) Before having unsupervised direct contact with a child, but within 90 days after the first date of direct contact with a child, the director, all staff persons, substitutes, and unsupervised volunteers must successfully complete pediatric first aid and pediatric cardiopulmonary resuscitation (CPR) training, unless the training has been completed within the previous two calendar years. Staff must complete the pediatric first aid and pediatric CPR training at least every other calendar year and the center must document the training in the staff person's personnel record.

(b) Training completed under this subdivision may be used to meet the in-service training requirements under subdivision 6.

(c) Training must include CPR and techniques for providing immediate care to people experiencing life-threatening cardiac emergencies, choking, bleeding, fractures and sprains, head injuries, poisoning, and burns. Training developed by the American Heart Association, the American Red Cross, or another organization that uses nationally recognized, evidence-based guidelines meets these requirements.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 18. Minnesota Statutes 2024, section 142C.12, subdivision 6, is amended to read:

Subd. 6. In-service training. (a) The certified center must ensure that the director and all staff persons, including substitutes and unsupervised volunteers, are trained at least once each calendar year on health and safety requirements in this section and sections 142C.10, 142C.11, and 142C.13.

(b) The director and each staff person, not including substitutes, must complete at least six hours of training each calendar year. Substitutes must complete at least two hours of training each calendar year. Training required under paragraph (a) may be used toward the hourly training requirements of this subdivision.

Sec. 19. Minnesota Statutes 2024, section 245A.18, subdivision 1, is amended to read:

Subdivision 1. Seat belt and child passenger restraint system use. All license holders that transport children must comply with the requirements of section 142B.51, subdivision 1, and license holders that transport a child or children under ~~eight~~ nine years of age must document training that fulfills the requirements in section 142B.51, subdivision 2.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 20. DIRECTION TO COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES; STANDARDIZED LICENSING VISIT TIMELINE AND REQUIREMENTS.

(a) The commissioner of children, youth, and families must, in consultation with stakeholders, develop a standardized timeline and standards for the conduct of licensors when conducting inspections of licensed child care centers. The timeline and standards developed by the commissioner must clearly identify:

(1) the steps of a licensing visit;

(2) the expectations for licensors and license holders before, during, and after the licensing visit;

(3) the standards of conduct that licensors must follow during a visit;

(4) the rights of license holders;

(5) when and how license holders can request technical assistance; and

(6) a process for license holders to request additional review of an issue related to the licensing visit from someone other than the assigned licensor.

(b) The timeline and standards must be implemented by July 1, 2026.

Sec. 21. DIRECTION TO COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES; STANDARDIZED COUNTY-DELEGATED LICENSING.

By July 1, 2026, the commissioner of children, youth, and families must:

(1) establish time frames for county licensors to respond to time-sensitive or urgent requests; and

(2) require county licensors to use the electronic licensing inspection tool during an inspection of a family child care provider and to complete the inspection report on site with the license holder, including direct communication related to any correction orders issued.

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

Sec. 22. REPEALER.

Minnesota Rules, part 9503.0030, subpart 1, item B, is repealed.

EFFECTIVE DATE. This section is effective August 1, 2025.

ARTICLE 15

BEHAVIORAL HEALTH

Section 1. Minnesota Statutes 2024, section 245.4661, subdivision 2, is amended to read:

Subd. 2. **Program design and implementation.** Adult mental health initiatives shall be responsible for designing, planning, improving, and maintaining a mental health service delivery system for adults with serious and persistent mental illness that would:

- (1) provide an expanded array of services from which clients can choose services appropriate to their needs;
- (2) be based on purchasing strategies that improve access and coordinate services without cost shifting;
- (3) prioritize evidence-based services and implement services that are promising practices or theory-based practices so that the service can be evaluated according to subdivision 5a;
- (4) incorporate existing state facilities and resources into the community mental health infrastructure through creative partnerships with local vendors; and
- (5) utilize ~~existing categorical funding streams and reimbursement sources in combined and creative ways, except~~ adult mental health initiative funding only after all other eligible funding sources have been applied. Appropriations and all funds that are attributable to the operation of state-operated services under the control of the Direct Care and Treatment executive board are excluded unless appropriated specifically by the legislature for a purpose consistent with this section.

Sec. 2. Minnesota Statutes 2024, section 245.4661, subdivision 6, is amended to read:

Subd. 6. **Duties of commissioner.** (a) For purposes of adult mental health initiatives, the commissioner shall facilitate integration of funds or other resources as needed and requested by each adult mental health initiative. These resources may include:

- (1) community support services funds administered under Minnesota Rules, parts 9535.1700 to 9535.1760;
- (2) other mental health special project funds;
- (3) medical assistance, MinnesotaCare, and housing support under chapter 256I if requested by the adult mental health initiative's managing entity and if the commissioner determines this would be consistent with the state's overall health care reform efforts; and
- (4) regional treatment center resources, with consent from the Direct Care and Treatment executive board.

~~(b) The commissioner shall consider the following criteria in awarding grants for adult mental health initiatives:~~

- ~~(1) the ability of the initiatives to accomplish the objectives described in subdivision 2;~~
- ~~(2) the size of the target population to be served; and~~
- ~~(3) geographical distribution.~~

~~(c)~~ (b) The commissioner shall review overall status of the initiatives at least every two years and recommend any legislative changes needed by January 15 of each odd-numbered year.

~~(d)~~ (c) The commissioner may waive administrative rule requirements that are incompatible with the implementation of the adult mental health initiative.

~~(e)~~ (d) The commissioner may exempt the participating counties from fiscal sanctions for noncompliance with requirements in laws and rules that are incompatible with the implementation of the adult mental health initiative.

~~(f)~~(e) The commissioner may award grants to an entity designated by a county board or group of county boards to pay for start-up and implementation costs of the adult mental health initiative.

Sec. 3. Minnesota Statutes 2024, section 245.4661, subdivision 7, is amended to read:

Subd. 7. **Duties of adult mental health initiative board.** The adult mental health initiative board, or other entity which is approved to administer an adult mental health initiative, shall:

(1) administer the initiative in a manner that is consistent with the objectives described in subdivision 2 and the planning process described in subdivision 5;

(2) assure that no one is denied services that they would otherwise be eligible for; and

(3) provide the commissioner of human services with timely and pertinent information through the following methods:

~~(i) submission of mental health plans and plan amendments which are based on a format and timetable determined by the commissioner;~~

~~(ii) submission of social services expenditure and grant reconciliation reports, based on a coding format to be determined by mutual agreement between the initiative's managing entity and the commissioner; and~~

~~(iii) submission of data and participation in an evaluation of the adult mental health initiatives, to be designed cooperatively by the commissioner and the initiatives. For services provided to American Indians in Tribal Nations or urban Indian communities, oral reports using a system designed in partnership between the commissioner and the reporting community satisfy the requirements of this clause.~~

Sec. 4. Minnesota Statutes 2024, section 245.4871, subdivision 5, is amended to read:

Subd. 5. **Child.** "Child" means a person under 18 years of age, or a person 18 years of age or older and under 21 years of age receiving continuous children's mental health targeted case management services under section 245.4881.

Sec. 5. Minnesota Statutes 2024, section 245.4889, subdivision 1, as amended by Laws 2025, chapter 38, article 8, section 40, is amended to read:

Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized to make grants from available appropriations to assist:

(1) counties;

(2) Indian tribes;

(3) children's collaboratives under section 142D.15 or 245.493; or

(4) mental health service providers.

(b) The following services are eligible for grants under this section:

(1) services to children with mental illness as defined in section 245.4871, subdivision 15, and their families;

(2) transition services under section 245.4875, subdivision 8, for young adults under age 21 and their families;

(3) respite care services for children with mental illness or serious mental illness who are at risk of residential treatment or hospitalization; who are already in residential treatment, therapeutic foster care, or in family foster settings as defined in chapter 142B and at risk of change in foster care or placement in a residential facility or other higher level of care; who have utilized crisis services or emergency room services; or who have experienced a loss of in-home staffing support. Allowable activities and expenses for respite care services are defined under subdivision 4. A child is not required to have case management services to receive respite care services. Counties must work to provide access to regularly scheduled respite care;

(4) children's mental health crisis services;

(5) child-, youth-, and family-specific mobile response and stabilization services models;

(6) mental health services for people from cultural and ethnic minorities, including supervision of clinical trainees who are Black, indigenous, or people of color;

(7) children's mental health screening and follow-up diagnostic assessment and treatment;

(8) services to promote and develop the capacity of providers to use evidence-based practices in providing children's mental health services;

(9) school-linked mental health services under section 245.4901;

(10) building evidence-based mental health intervention capacity for children birth to age five;

(11) suicide prevention and counseling services that use text messaging statewide;

(12) mental health first aid training;

(13) training for parents, collaborative partners, and mental health providers on the impact of adverse childhood experiences and trauma and development of an interactive website to share information and strategies to promote resilience and prevent trauma;

(14) transition age services to develop or expand mental health treatment and supports for adolescents and young adults 26 years of age or younger;

(15) early childhood mental health consultation;

(16) evidence-based interventions for youth at risk of developing or experiencing a first episode of psychosis, and a public awareness campaign on the signs and symptoms of psychosis;

(17) psychiatric consultation for primary care practitioners; ~~and~~

(18) providers to begin operations and meet program requirements when establishing a new children's mental health program. These may be start-up grants; and

(19) evidence-based interventions for youth and young adults at risk of developing or experiencing an early episode of bipolar disorder.

(c) Services under paragraph (b) must be designed to help each child to function and remain with the child's family in the community and delivered consistent with the child's treatment plan. Transition services to eligible young adults under this paragraph must be designed to foster independent living in the community.

(d) As a condition of receiving grant funds, a grantee shall obtain all available third-party reimbursement sources, if applicable.

(e) The commissioner may establish and design a pilot program to expand the mobile response and stabilization services model for children, youth, and families. The commissioner may use grant funding to consult with a qualified expert entity to assist in the formulation of measurable outcomes and explore and position the state to submit a Medicaid state plan amendment to scale the model statewide.

Sec. 6. MENTAL HEALTH COLLABORATION HUB INNOVATION PILOT PROGRAM.

(a) The commissioner of human services must support the Mental Health Collaboration Hub's pilot project to develop and implement innovative care pathways and care facility decompression strategies by providing funding support and technical assistance and entering into a data-sharing agreement with the Mental Health Collaboration Hub. The pilot project must fund, track, and evaluate activities that expedite transitions of children from inappropriate care settings to appropriate care settings. A steering committee of expert Mental Health Collaboration Hub participants that represent the continuum of children's behavioral health care must guide funding determinations to support the transition of up to 200 children per year.

(b) On January 1, 2027, and January 1, 2028, the Mental Health Collaboration Hub must submit a report to the commissioner and chairs and ranking minority members of the legislative committees with jurisdiction over children's mental health and juvenile detention. The report must describe how the grant money was spent and summarize the impact the pilot project had on participating children, families, and providers.

Sec. 7. PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY REPORT.

(a) By December 15, 2026, the commissioner of human services, in consultation with organizations operating psychiatric residential treatment facilities, advocates, health care experts, juvenile detention experts, and county representatives, must submit a report and proposed legislative changes to the chairs and ranking minority members of the legislative committees with jurisdiction over children's mental health and juvenile detention. The submitted report must include recommendations on:

(1) amending the state medical assistance plan to expand access to care provided in psychiatric residential treatment facilities, with consideration being given to enhancing flexibilities to serve a continuum of mental health needs;

(2) developing licensing standards for psychiatric residential treatment facilities that reflect needed flexibilities and the broad inclusion of settings where care can be delivered; and

(3) updating the rate methodology for services provided in psychiatric residential treatment facilities to assure high quality of care with required individualization.

(b) When developing the recommendations required under paragraph (a), the commissioner must:

(1) consider how best to meet the needs of children with high levels of complexity, aggression, and other related barriers to being served by community providers; and

(2) determine what would be required, including needed infrastructure, staffing, and sustainable funding sources, to allow qualified residential treatment programs to transition to a psychiatric residential treatment facility standard of care.

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

Sec. 8. LOWER SIOUX INDIAN COMMUNITY COMPLEX POST-TRAUMATIC STRESS DISORDER PILOT PROJECT.

Subdivision 1. **Establishment.** The commissioner of human services must establish a pilot project for the Lower Sioux Indian Community to provide mental health case management services, as defined in Minnesota Statutes, section 245.462, subdivision 3, to individuals with a complex post-traumatic stress disorder who are not otherwise eligible for mental health case management services as persons with serious and persistent mental illness under Minnesota Statutes, section 245.462, subdivision 20.

Subd. 2. **Pilot project eligibility.** To be eligible for mental health case management services under the pilot project, an individual must be an adult who has a mental illness and:

(1) has post-traumatic stress disorder symptoms related to intergenerational trauma, racial trauma, or unresolved historical grief that significantly interfere with daily functioning; and

(2) has a written opinion from a mental health professional that includes documentation of:

(i) culturally sensitive assessments or screenings and identification of intergenerational, racial, or historical trauma;

(ii) significant impairment in functioning due to the post-traumatic stress disorder symptoms that meet complex post-traumatic stress disorder condition eligibility; and

(iii) increasing concerns within the last three years to indicate that the adult is at a reasonable likelihood of experiencing significant episodes of post-traumatic stress disorder with increased frequency, impacting daily functioning unless mitigated by mental health case management or community support services.

Subd. 3. **Report.** (a) The Lower Sioux Indian Community must report the outcomes of the pilot project to the commissioner of human services in a manner designed cooperatively by the commissioner and the Lower Sioux Indian Community.

(b) By January 1, 2027, the commissioner shall report the outcomes of the pilot project to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy.

ARTICLE 16**BACKGROUND STUDIES**

Section 1. Minnesota Statutes 2024, section 142A.02, subdivision 1, is amended to read:

Subdivision 1. **Department.** (a) The Department of Children, Youth, and Families is established.

(b) The commissioner of children, youth, and families is hereby constituted the "state agency" for the purposes of Title IV of the Social Security Act of the United States and the laws of this state. The commissioners of human services and children, youth, and families are hereby constituted the "state agency" for background studies under chapter 245C.

(c) The commissioner of children, youth, and families is hereby constituted the "state agency" for the purposes of administering the child care and development fund. The commissioners of human services and children, youth, and families are hereby constituted the "joint interagency office" for background studies under chapter 245C.

Sec. 2. Minnesota Statutes 2024, section 142A.09, subdivision 1, is amended to read:

Subdivision 1. **Background studies required.** ~~The commissioner of children, youth, and families shall contract with the commissioner of human services to~~ shall conduct background studies of individuals specified in section 245C.03, subdivision ~~4~~ 5c, affiliated with:

- (1) a facility or program licensed or seeking a license under chapter 142B;
- (2) a license-exempt child care center certified under chapter 142C; or
- (3) a legal nonlicensed child care provider authorized under chapter 142E.

Sec. 3. Minnesota Statutes 2024, section 245C.02, subdivision 15a, is amended to read:

Subd. 15a. **Reasonable cause to require a national criminal history record check.** (a) "Reasonable cause to require a national criminal history record check" means information or circumstances exist that provide the commissioner with articulable suspicion that further pertinent information may exist concerning a background study subject that merits conducting a national criminal history record check on that subject. The commissioner has reasonable cause to require a national criminal history record check when:

(1) information from the Bureau of Criminal Apprehension indicates that the subject is a multistate offender;

(2) information from the Bureau of Criminal Apprehension indicates that multistate offender status is undetermined;

(3) the commissioner has received a report from the subject or a third party indicating that the subject has a criminal history in a jurisdiction other than Minnesota; or

(4) information from the Bureau of Criminal Apprehension for a state-based name and date of birth background study in which the subject is a minor that indicates that the subject has a criminal history.

(b) In addition to the circumstances described in paragraph (a), the commissioner has reasonable cause to require a national criminal history record check if the subject is not currently residing in Minnesota or resided in a jurisdiction other than Minnesota during the previous five years.

(c) Reasonable cause to require a national criminal history check does not apply to family child foster care or adoption studies.

EFFECTIVE DATE. This section is effective upon implementation in NETStudy 2.0 or January 13, 2026, whichever is later. The commissioner of human services shall notify the revisor of statutes when the commissioner implements the changes in NETStudy 2.0.

Sec. 4. Minnesota Statutes 2024, section 245C.05, subdivision 1, is amended to read:

Subdivision 1. **Individual studied.** (a) The individual who is the subject of the background study must provide the applicant, license holder, or other entity under section 245C.04 with sufficient information to ensure an accurate study, including:

(1) the individual's first, middle, and last name and all other names by which the individual has been known;

(2) current home address, city, and state of residence;

(3) current zip code;

(4) sex;

(5) date of birth;

(6) driver's license number or state identification number or, for those without a driver's license or state identification card, an acceptable form of identification as determined by the commissioner; and

(7) upon implementation of NETStudy 2.0, the home address, city, county, and state of residence for the past five years.

(b) Every subject of a background study conducted or initiated by counties or private agencies under this chapter must also provide the home address, city, county, and state of residence for the past five years.

(c) Every ~~subject of a background study related to private agency adoptions or related to child foster care licensed through a private agency, who is 18 years of age or older,~~ current or prospective foster or adoptive parent shall also provide the commissioner a signed consent for the release of any information received from national crime information databases to the private agency that initiated the background study.

(d) The subject of a background study shall provide fingerprints and a photograph as required in subdivision 5.

(e) The subject of a background study shall submit a completed criminal and maltreatment history records check consent form and criminal history disclosure form for applicable national and state level record checks.

(f) A background study subject who has access to the NETStudy 2.0 applicant portal must provide updated contact information to the commissioner via NETStudy 2.0 any time the subject's personal information changes for as long as they remain affiliated on any roster.

(g) An entity must update contact information in NETStudy 2.0 for a background study subject on the entity's roster any time the entity receives new contact information from the study subject.

EFFECTIVE DATE. This section is effective upon implementation in NETStudy 2.0 or January 13, 2026, whichever is later. The commissioner of human services shall notify the revisor of statutes when the commissioner implements the changes in NETStudy 2.0.

Sec. 5. Minnesota Statutes 2024, section 245C.05, subdivision 5, is amended to read:

Subd. 5. **Fingerprints and photograph.** (a) Notwithstanding paragraph (c), for background studies conducted by the commissioner for ~~current or prospective child foster care or adoptive parents, and for any adult working in a children's residential facilities, adoptions, or a transfer of permanent legal and physical custody of a child facility,~~ the subject of the background study, ~~who is 18 years of age or older,~~ shall provide the commissioner with a set of classifiable fingerprints obtained from an authorized agency for a national criminal history record check.

(b) Notwithstanding paragraph (c), for background studies conducted by the commissioner for Head Start programs, the subject of the background study shall provide the commissioner with a set of classifiable fingerprints obtained from an authorized agency for a national criminal history record check.

(c) For background studies initiated on or after the implementation of NETStudy 2.0, except as provided under subdivision 5a, every subject of a background study must provide the commissioner with a set of the background study subject's classifiable fingerprints and photograph. The photograph and fingerprints must

be recorded at the same time by the authorized fingerprint collection vendor or vendors and sent to the commissioner through the commissioner's secure data system described in section 245C.32, subdivision 1a, paragraph (b).

(d) The fingerprints shall be submitted by the commissioner to the Bureau of Criminal Apprehension and, when specifically required by law, submitted to the Federal Bureau of Investigation for a national criminal history record check.

(e) The fingerprints must not be retained by the Department of Public Safety, Bureau of Criminal Apprehension, or the commissioner. The Federal Bureau of Investigation will not retain background study subjects' fingerprints.

(f) The authorized fingerprint collection vendor or vendors shall, for purposes of verifying the identity of the background study subject, be able to view the identifying information entered into NETStudy 2.0 by the entity that initiated the background study, but shall not retain the subject's fingerprints, photograph, or information from NETStudy 2.0. The authorized fingerprint collection vendor or vendors shall retain no more than the name and date and time the subject's fingerprints were recorded and sent, only as necessary for auditing and billing activities.

(g) For any background study conducted under this chapter, except for family child foster care or adoption studies, the subject shall provide the commissioner with a set of classifiable fingerprints when the commissioner has reasonable cause to require a national criminal history record check as defined in section 245C.02, subdivision 15a.

EFFECTIVE DATE. This section is effective upon implementation in NETStudy 2.0 or January 13, 2026, whichever is later. The commissioner of human services shall notify the revisor of statutes when the commissioner implements the changes in NETStudy 2.0.

Sec. 6. Minnesota Statutes 2024, section 245C.05, subdivision 5a, is amended to read:

Subd. 5a. **Background study requirements for minors.** (a) A background study completed under this chapter on a subject who is required to be studied under section 245C.03, subdivision 1, and is 17 years of age or younger shall be completed by the commissioner for:

- (1) a legal nonlicensed child care provider authorized under chapter 142E;
- (2) a licensed family child care program; or
- (3) a licensed foster care home.

(b) The subject shall submit to the commissioner only the information under subdivision 1, paragraph (a).

(c) For child care studies, a subject who is 17 years of age or younger is required to submit fingerprints and a photograph, and the commissioner shall conduct a national criminal history record check, if:

(1) the commissioner has reasonable cause to require a national criminal history record check defined in section 245C.02, subdivision 15a; or

(2) under paragraph (a), clauses (1) and (2), the subject is employed by the provider or supervises children served by the program.

(d) For child care studies, a subject who is 17 years of age or younger is required to submit non-fingerprint-based data according to section 245C.08, subdivision 1, paragraph (a), clause (6), item (iii), and the commissioner shall conduct the check if:

(1) the commissioner has reasonable cause to require a national criminal history record check defined in section 245C.02, subdivision 15a; or

(2) the subject is employed by the provider or supervises children served by the program under paragraph (a), clauses (1) and (2).

EFFECTIVE DATE. This section is effective upon implementation in NETStudy 2.0 or January 13, 2026, whichever is later. The commissioner of human services shall notify the revisor of statutes when the commissioner implements the changes in NETStudy 2.0.

Sec. 7. Minnesota Statutes 2024, section 245C.08, subdivision 1, is amended to read:

Subdivision 1. **Background studies conducted by Department of Human Services.** (a) For a background study conducted by the Department of Human Services, the commissioner shall review:

(1) information related to names of substantiated perpetrators of maltreatment of vulnerable adults that has been received by the commissioner as required under section 626.557, subdivision 9c, paragraph (j);

(2) the commissioner's records relating to the maltreatment of minors in licensed programs, and from findings of maltreatment of minors as indicated through the social service information system;

(3) information from juvenile courts as required for studies under this chapter when there is reasonable cause;

(4) information from the Bureau of Criminal Apprehension, including information regarding a background study subject's registration in Minnesota as a predatory offender under section 243.166;

(5) except as provided in clause (6), information received as a result of submission of fingerprints for a national criminal history record check, as defined in section 245C.02, subdivision 13c, when the commissioner has reasonable cause for a national criminal history record check as defined under section 245C.02, subdivision 15a, or as required under section 144.057, subdivision 1, clause (2);

(6) for a background study related to a child foster family setting application for licensure, foster residence settings, children's residential facilities, a transfer of permanent legal and physical custody of a child under sections 260C.503 to 260C.515, or adoptions, and for a background study required for family child care, certified license-exempt child care, child care centers, and legal nonlicensed child care authorized under chapter 142E, the commissioner shall also review:

(i) information from the child abuse and neglect registry for any state in which the background study subject has resided for the past five years;

(ii) ~~when the background study subject is 18 years of age or older, or a minor under section 245C.05, subdivision 5a, paragraph (e), information received following submission of fingerprints for~~ from a national criminal history record check, if authorized for the study; and

(iii) when the background study subject is 18 years of age or older or a minor under section 245C.05, subdivision 5a, paragraph (d), for licensed family child care, certified license-exempt child care, licensed child care centers, and legal nonlicensed child care authorized under chapter 142E, information obtained using non-fingerprint-based data including information from the criminal and sex offender registries for any

state in which the background study subject resided for the past five years and information from the national crime information database and the national sex offender registry;

(7) for a background study required for family child care, certified license-exempt child care centers, licensed child care centers, and legal nonlicensed child care authorized under chapter 142E, the background study shall also include, to the extent practicable, a name and date-of-birth search of the National Sex Offender Public website; and

(8) for a background study required for treatment programs for sexual psychopathic personalities or sexually dangerous persons, the background study shall only include a review of the information required under paragraph (a), clauses (1) to (4).

(b) Except as otherwise provided in this paragraph, notwithstanding expungement by a court, the commissioner may consider information obtained under paragraph (a), clauses (3) and (4), unless:

(1) the commissioner received notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner; or

(2) the commissioner received notice of the expungement order issued pursuant to section 609A.017, 609A.025, or 609A.035, and the order for expungement is directed specifically to the commissioner.

The commissioner may not consider information obtained under paragraph (a), clauses (3) and (4), or from any other source that identifies a violation of chapter 152 without determining if the offense involved the possession of marijuana or tetrahydrocannabinol and, if so, whether the person received a grant of expungement or order of expungement, or the person was resentenced to a lesser offense. If the person received a grant of expungement or order of expungement, the commissioner may not consider information related to that violation but may consider any other relevant information arising out of the same incident.

(c) The commissioner shall also review criminal case information received according to section 245C.04, subdivision 4a, from the Minnesota court information system that relates to individuals who have already been studied under this chapter and who remain affiliated with the agency that initiated the background study.

(d) When the commissioner has reasonable cause to believe that the identity of a background study subject is uncertain, the commissioner may require the subject to provide a set of classifiable fingerprints for purposes of completing a fingerprint-based record check with the Bureau of Criminal Apprehension. Fingerprints collected under this paragraph shall not be saved by the commissioner after they have been used to verify the identity of the background study subject against the particular criminal record in question.

(e) The commissioner may inform the entity that initiated a background study under NETStudy 2.0 of the status of processing of the subject's fingerprints.

EFFECTIVE DATE. This section is effective upon implementation in NETStudy 2.0 or January 13, 2026, whichever is later. The commissioner of human services shall notify the revisor of statutes when the commissioner implements the changes in NETStudy 2.0.

Sec. 8. Minnesota Statutes 2024, section 245C.08, subdivision 5, is amended to read:

Subd. 5. **Authorization.** The commissioner ~~of human services shall be~~ is authorized to receive information under this chapter.

Sec. 9. Minnesota Statutes 2024, section 245C.10, subdivision 9, is amended to read:

Subd. 9. **Human services licensed programs.** The commissioner shall recover the cost of background studies required under section 245C.03, subdivision 1, for all programs that are licensed by the commissioner; ~~except child foster care when the applicant or license holder resides in the home where child foster care services are provided, family child care, child care centers, certified license-exempt child care centers, and legal nonlicensed child care authorized under chapter 142E,~~ through a fee of no more than \$44 per study charged to the license holder. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 10. Minnesota Statutes 2024, section 245C.10, is amended by adding a subdivision to read:

Subd. 9b. **Child foster care and adoption programs.** The commissioner shall recover the cost of a background study required for child foster care and adoption studies through a fee of no more than \$44 per study. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 11. Minnesota Statutes 2024, section 245C.13, subdivision 2, is amended to read:

Subd. 2. **Activities pending completion of background study.** The subject of a background study may not perform any activity requiring a background study under paragraph (c) until the commissioner has issued one of the notices under paragraph (a).

(a) Notices from the commissioner required prior to activity under paragraph (c) include:

(1) a notice of the study results under section 245C.17 stating that:

(i) the individual is not disqualified; or

(ii) more time is needed to complete the study but the individual is not required to be removed from direct contact or access to people receiving services prior to completion of the study as provided under section 245C.17, subdivision 1, paragraph (b) or (c). The notice that more time is needed to complete the study must also indicate whether the individual is required to be under continuous direct supervision prior to completion of the background study. When more time is necessary to complete a background study of an individual affiliated with a Title IV-E eligible children's residential facility or foster residence setting, the individual may not work in the facility or setting regardless of whether or not the individual is supervised;

(2) a notice that a disqualification has been set aside under section 245C.23; or

(3) a notice that a variance has been granted related to the individual under section 245C.30.

(b) For a background study affiliated with a licensed child care center or certified license-exempt child care center, the notice sent under paragraph (a), clause (1), item (ii), must not be issued until the commissioner receives a qualifying result for the individual for the fingerprint-based national criminal history record check or the fingerprint-based criminal history information from the Bureau of Criminal Apprehension. The notice must require the individual to be under continuous direct supervision prior to completion of the remainder of the background study except as permitted in subdivision 3.

(c) Activities prohibited prior to receipt of notice under paragraph (a) include:

(1) being issued a license;

- (2) living in the household where the licensed program will be provided;
- (3) providing direct contact services to persons served by a program unless the subject is under continuous direct supervision;
- (4) having access to persons receiving services if the background study was completed under section 144.057, subdivision 1, or 245C.03, subdivision 1, paragraph (a), clause (2), (5), or (6), unless the subject is under continuous direct supervision;
- (5) for licensed child care centers and certified license-exempt child care centers, providing direct contact services to persons served by the program;
- (6) for children's residential facilities or foster residence settings, working in the facility or setting; or
- (7) for background studies affiliated with a personal care provider organization, except as provided in section 245C.03, subdivision 3b, before a personal care assistant provides services, the personal care assistance provider agency must initiate a background study of the personal care assistant under this chapter and the personal care assistance provider agency must have received a notice from the commissioner that the personal care assistant is:
 - (i) not disqualified under section 245C.14; or
 - (ii) disqualified, but the personal care assistant has received a set aside of the disqualification under section 245C.22.

EFFECTIVE DATE. This section is effective January 15, 2026.

Sec. 12. Minnesota Statutes 2024, section 245C.14, is amended by adding a subdivision to read:

Subd. 6. **Disqualification from owning, operating, or billing.** The commissioner shall disqualify an individual who is the subject of a background study from any position involving ownership, management, or control of a program or billing activities if a background study completed under this chapter shows a violation of section 142A.12, 245.095, or 256B.064.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 13. Minnesota Statutes 2024, section 245C.15, subdivision 1, is amended to read:

Subdivision 1. **Permanent disqualification.** (a) An individual is disqualified under section 245C.14 if: (1) regardless of how much time has passed since the discharge of the sentence imposed, if any, for the offense; and (2) unless otherwise specified, regardless of the level of the offense, the individual has committed any of the following offenses: sections 243.166 (violation of predatory offender registration law); 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); a felony offense under 609.221 or 609.222 (assault in the first or second degree); a felony offense under sections 609.2242 and 609.2243 (domestic assault), spousal abuse, child abuse or neglect, or a crime against children; 609.2247 (domestic assault by strangulation); 609.228 (great bodily harm caused by distribution of drugs); 609.245 (aggravated robbery); 609.247, subdivision 2 or 3 (carjacking in the first or second degree); 609.25 (kidnapping); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.322 (solicitation, inducement, and promotion of prostitution); 609.324, subdivision 1 (other prohibited acts); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal

sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree); 609.3451 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory conduct); 609.3458 (sexual extortion); 609.352 (solicitation of children to engage in sexual conduct); 609.365 (incest); a felony offense under 609.377 (malicious punishment of a child); 609.3775 (child torture); a felony offense under 609.378 (neglect or endangerment of a child); 609.561 (arson in the first degree); 609.66, subdivision 1e (drive-by shooting); 609.749, subdivision 3, 4, or 5 (felony-level harassment or stalking); 609.855, subdivision 5 (shooting at or in a public transit vehicle or facility); 617.23, subdivision 2, clause (1), or subdivision 3, clause (1) (indecent exposure involving a minor); 617.246 (use of minors in sexual performance prohibited); 617.247 (possession of pictorial representations of minors); or, for a child care background study subject, conviction of a crime that would make the individual ineligible for employment under United States Code, title 42, section 9858f, except for a felony drug conviction, regardless of whether a period of disqualification under subdivisions 2 to 4, would apply if the individual were not a child care background study subject.

(b) An individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes, permanently disqualifies the individual under section 245C.14.

(c) An individual's offense in any other state or country, where the elements of the offense are substantially similar to any of the offenses listed in paragraph (a), permanently disqualifies the individual under section 245C.14.

(d) When a disqualification is based on a judicial determination other than a conviction, the disqualification period begins from the date of the court order. When a disqualification is based on an admission, the disqualification period begins from the date of an admission in court. When a disqualification is based on an Alford Plea, the disqualification period begins from the date the Alford Plea is entered in court. When a disqualification is based on a preponderance of evidence of a disqualifying act, the disqualification date begins from the date of the dismissal, the date of discharge of the sentence imposed for a conviction for a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

(e) If the individual studied commits one of the offenses listed in paragraph (a) that is specified as a felony-level only offense, but the sentence or level of offense is a gross misdemeanor or misdemeanor, the individual is disqualified, but the disqualification look-back period for the offense is the period applicable to gross misdemeanor or misdemeanor offenses.

(f) A child care background study subject shall be disqualified if the individual is registered, or required to be registered, on a state sex offender registry or repository or the National Sex Offender Registry.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 14. Minnesota Statutes 2024, section 245C.15, subdivision 4a, is amended to read:

Subd. 4a. **Licensed family foster setting disqualifications.** (a) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed family foster setting, regardless of how much time has passed, an individual is disqualified under section 245C.14 if the individual committed an act that resulted in a felony-level conviction for sections: 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); 609.2112 (criminal vehicular homicide); 609.221 (assault in the first degree); 609.223, subdivision 2 (assault in the third degree, past pattern of child abuse); 609.223, subdivision 3 (assault in the third degree, victim under four); a felony offense under sections 609.2242 and 609.2243

(domestic assault, spousal abuse, child abuse or neglect, or a crime against children); 609.2247 (domestic assault by strangulation); 609.2325 (criminal abuse of a vulnerable adult resulting in the death of a vulnerable adult); 609.245 (aggravated robbery); 609.247, subdivision 2 or 3 (carjacking in the first or second degree); 609.25 (kidnapping); 609.255 (false imprisonment); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child in the first degree); 609.2665 (manslaughter of an unborn child in the second degree); 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child in the second degree); 609.268 (injury or death of an unborn child in the commission of a crime); 609.322, subdivision 1 (solicitation, inducement, and promotion of prostitution; sex trafficking in the first degree); 609.324, subdivision 1 (other prohibited acts; engaging in, hiring, or agreeing to hire minor to engage in prostitution); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree); 609.3451 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory conduct); 609.3458 (sexual extortion); 609.352 (solicitation of children to engage in sexual conduct); 609.377 (malicious punishment of a child); 609.3775 (child torture); 609.378 (neglect or endangerment of a child); 609.561 (arson in the first degree); 609.582, subdivision 1 (burglary in the first degree); 609.746 (interference with privacy); 617.23 (indecent exposure); 617.246 (use of minors in sexual performance prohibited); or 617.247 (possession of pictorial representations of minors).

(b) Notwithstanding subdivisions 1 to 4, for the purposes of a background study affiliated with a licensed family foster setting, an individual is disqualified under section 245C.14, regardless of how much time has passed, if the individual:

(1) committed an action under paragraph (e) that resulted in death or involved sexual abuse, as defined in section 260E.03, subdivision 20;

(2) committed an act that resulted in a gross misdemeanor-level conviction for section 609.3451 (criminal sexual conduct in the fifth degree);

(3) committed an act against or involving a minor that resulted in a felony-level conviction for: section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the third degree); 609.2231 (assault in the fourth degree); or 609.224 (assault in the fifth degree); or

(4) committed an act that resulted in a misdemeanor or gross misdemeanor-level conviction for section 617.293 (dissemination and display of harmful materials to minors).

(c) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed family foster setting, an individual is disqualified under section 245C.14 if fewer than 20 years have passed since the termination of the individual's parental rights under section 260C.301, subdivision 1, paragraph (b), or if the individual consented to a termination of parental rights under section 260C.301, subdivision 1, paragraph (a), to settle a petition to involuntarily terminate parental rights. An individual is disqualified under section 245C.14 if fewer than 20 years have passed since the termination of the individual's parental rights in any other state or country, where the conditions for the individual's termination of parental rights are substantially similar to the conditions in section 260C.301, subdivision 1, paragraph (b).

(d) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed family foster setting, an individual is disqualified under section 245C.14 if fewer than five years have passed since a felony-level violation for sections: 152.021 (controlled substance crime in the first degree); 152.022 (controlled substance crime in the second degree); 152.023 (controlled substance crime in the third degree); 152.024 (controlled substance crime in the fourth degree); 152.025 (controlled substance crime in the fifth degree);

152.0261 (importing controlled substances across state borders); 152.0262, subdivision 1, paragraph (b) (possession of substance with intent to manufacture methamphetamine); 152.027, subdivision 6, paragraph (c) (sale or possession of synthetic cannabinoids); 152.096 (conspiracies prohibited); 152.097 (simulated controlled substances); 152.136 (anhydrous ammonia; prohibited conduct; criminal penalties; civil liabilities); 152.137 (methamphetamine-related crimes involving children or vulnerable adults); 169A.24 (felony first-degree driving while impaired); 243.166 (violation of predatory offender registration requirements); 609.2113 (criminal vehicular operation; bodily harm); 609.2114 (criminal vehicular operation; unborn child); 609.228 (great bodily harm caused by distribution of drugs); 609.2325 (criminal abuse of a vulnerable adult not resulting in the death of a vulnerable adult); 609.233 (criminal neglect); 609.235 (use of drugs to injure or facilitate a crime); 609.24 (simple robbery); 609.247, subdivision 4 (carjacking in the third degree); 609.322, subdivision 1a (solicitation, inducement, and promotion of prostitution; sex trafficking in the second degree); 609.498, subdivision 1 (tampering with a witness in the first degree); 609.498, subdivision 1b (aggravated first-degree witness tampering); 609.562 (arson in the second degree); 609.563 (arson in the third degree); 609.582, subdivision 2 (burglary in the second degree); 609.66 (felony dangerous weapons); 609.687 (adulteration); 609.713 (terroristic threats); 609.749, subdivision 3, 4, or 5 (felony-level harassment or stalking); 609.855, subdivision 5 (shooting at or in a public transit vehicle or facility); or 624.713 (certain people not to possess firearms).

(e) Notwithstanding subdivisions 1 to 4, except as provided in paragraph (a), for a background study affiliated with a licensed family child foster care license, an individual is disqualified under section 245C.14 if fewer than five years have passed since:

(1) a felony-level violation for an act not against or involving a minor that constitutes: section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the third degree); 609.2231 (assault in the fourth degree); or 609.224, subdivision 4 (assault in the fifth degree);

(2) a violation of an order for protection under section 518B.01, subdivision 14;

(3) a determination or disposition of the individual's failure to make required reports under section 260E.06 or 626.557, subdivision 3, for incidents in which the final disposition under chapter 260E or section 626.557 was substantiated maltreatment and the maltreatment was recurring or serious;

(4) a determination or disposition of the individual's substantiated serious or recurring maltreatment of a minor under chapter 260E, a vulnerable adult under section 626.557, or serious or recurring maltreatment in any other state, the elements of which are substantially similar to the elements of maltreatment under chapter 260E or section 626.557 and meet the definition of serious maltreatment or recurring maltreatment;

(5) a gross misdemeanor-level violation for sections: 609.224, subdivision 2 (assault in the fifth degree); 609.2242 and 609.2243 (domestic assault); 609.233 (criminal neglect); 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of a child); 609.746 (interference with privacy); 609.749 (stalking); or 617.23 (indecent exposure); or

(6) committing an act against or involving a minor that resulted in a misdemeanor-level violation of section 609.224, subdivision 1 (assault in the fifth degree).

(f) For purposes of this subdivision, the disqualification begins from:

(1) the date of the alleged violation, if the individual was not convicted;

(2) the date of conviction, if the individual was convicted of the violation but not committed to the custody of the commissioner of corrections; or

(3) the date of release from prison, if the individual was convicted of the violation and committed to the custody of the commissioner of corrections.

Notwithstanding clause (3), if the individual is subsequently reincarcerated for a violation of the individual's supervised release, the disqualification begins from the date of release from the subsequent incarceration.

(g) An individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraphs (a) and (b), as each of these offenses is defined in Minnesota Statutes, permanently disqualifies the individual under section 245C.14. An individual is disqualified under section 245C.14 if fewer than five years have passed since the individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraphs (d) and (e).

(h) An individual's offense in any other state or country, where the elements of the offense are substantially similar to any of the offenses listed in paragraphs (a) and (b), permanently disqualifies the individual under section 245C.14. An individual is disqualified under section 245C.14 if fewer than five years have passed since an offense in any other state or country, the elements of which are substantially similar to the elements of any offense listed in paragraphs (d) and (e).

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 15. Minnesota Statutes 2024, section 245C.15, is amended by adding a subdivision to read:

Subd. 4c. **Two-year disqualification.** An individual is disqualified under section 245C.14, subdivision 6, if fewer than two years have passed since a determination that the individual violated section 142A.12, 245.095, or 256B.064.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 16. Minnesota Statutes 2024, section 245C.22, subdivision 3, is amended to read:

Subd. 3. **Preeminent weight given to safety of persons being served and program integrity.** In reviewing a request for reconsideration of a disqualification, the commissioner shall give preeminent weight to the safety of each person served by the license holder, applicant, or other entities as provided in this chapter and to program integrity through protection of state and federal money supporting the program over the interests of the disqualified individual, license holder, applicant, or other entity as provided in this chapter, and any single factor under subdivision 4, paragraph (b), may be determinative of the commissioner's decision whether to set aside the individual's disqualification.

Sec. 17. Minnesota Statutes 2024, section 245C.22, subdivision 8, is amended to read:

Subd. 8. **Sharing of certain data for reconsiderations and appeals.** (a) The following commissioners shall be responsible for ~~conducting~~ making final agency decisions on background study reconsiderations and defending appeals of background studies for programs under their jurisdictions study determinations:

(1) the commissioner of human services for all programs under section 245C.03, subdivision 4 this chapter, unless otherwise specified in this subdivision;

(2) the commissioner of health for programs under section 245C.03, subdivision 5a;

(3) the commissioner of corrections for programs under section 245C.03, subdivision 5b; and

(4) the commissioner of the children, youth, and families for programs under section 245C.03, subdivision 5c.

(b) The commissioner of human services shall share all relevant background study data to allow the commissioners specified in paragraph (a) to complete reconsiderations and appeals for programs licensed or regulated by their agencies.

Sec. 18. Minnesota Statutes 2024, section 609A.015, subdivision 4, is amended to read:

Subd. 4. **Notice.** (a) The court shall notify a person who may become eligible for an automatic expungement under this section of that eligibility at any hearing where the court dismisses and discharges proceedings against a person under section 152.18, subdivision 1, for violation of section 152.024, 152.025, or 152.027 for possession of a controlled substance; concludes that all pending actions or proceedings were resolved in favor of the person; grants a person's placement into a diversion program; or sentences a person or otherwise imposes a consequence for a qualifying offense.

(b) To the extent possible, prosecutors, defense counsel, supervising agents, and coordinators or supervisors of a diversion program shall notify a person who may become eligible for an automatic expungement under this section of that eligibility.

(c) If any party gives notification under this subdivision, the notification shall inform the person that:

(1) a record expunged under this section may be opened for purposes of a background study by the Department of Human Services; the Department of Children, Youth, and Families; or the Department of Health under section 245C.08 and for purposes of a background check by the Professional Educator Licensing and Standards Board as required under section 122A.18, subdivision 8; and

(2) the person can file a petition under section 609A.03, subject to the process in section 609A.03 and the limitations in section 609A.02, to expunge the records held by the commissioner of human services; the commissioner of children, youth, and families; the commissioner of health; and the Professional Educator Licensing and Standards Board.

Sec. 19. Minnesota Statutes 2024, section 609A.055, subdivision 3, is amended to read:

Subd. 3. **Expungement relief; notification requirements.** (a) The Bureau of Criminal Apprehension shall grant expungement relief to each qualifying person whose records the bureau possesses and seal the bureau's records without requiring an application, petition, or motion. The bureau shall seal records related to an expungement within 60 days after the bureau sent notice of the expungement to the judicial branch pursuant to subdivision 2, paragraph (b), unless an order of the judicial branch prohibits sealing the records or additional information establishes that the records are not eligible for expungement.

(b) Nonpublic criminal records maintained by the bureau and subject to a grant of expungement relief must display a notation stating "expungement relief granted pursuant to section 609A.055."

(c) The bureau shall inform the judicial branch of all cases that are granted expungement relief pursuant to this section. The bureau may notify the judicial branch using electronic means and may notify the judicial branch immediately or in a monthly report. Upon receiving notice of an expungement, the judicial branch shall seal all related records, including records of the person's arrest, indictment, trial, verdict, and dismissal or discharge of the case. Upon receiving notice of an expungement, the judicial branch shall issue any order necessary to seal related records. The judicial branch shall not order the Department of Health; the Department of Children, Youth, and Families; or the Department of Human Services to seal records under this section.

(d) The bureau shall inform each arresting or citing law enforcement agency or prosecutorial office with records affected by the grant of expungement relief issued pursuant to paragraph (a) that expungement has been granted. The bureau shall notify each agency or office of an expungement within 60 days after the bureau sent notice of the expungement to the judicial branch. The bureau may notify each agency or office using electronic means. Upon receiving notification of an expungement, an agency or office shall seal all records related to the expungement, including the records of the person's arrest, indictment, trial, verdict, and dismissal or discharge of the case.

(e) The bureau shall provide information on its publicly facing website clearly stating that persons who are noncitizens may need copies of records affected by a grant of expungement relief for immigration purposes, explaining how they can obtain these copies after expungement or other granted relief, and stating that a noncitizen should consult with an immigration attorney.

(f) Data on a person whose offense has been expunged under this subdivision, including any notice sent pursuant to paragraph (d), are private data on individuals as defined in section 13.02, subdivision 12.

(g) Section 609A.03, subdivision 6, applies to an order issued under this section sealing the record of proceedings under section 152.18.

(h) The limitations under section 609A.03, subdivision 7a, paragraph (b), do not apply to an order issued under this section.

(i) The subject whose record qualifies for expungement shall be given access to copies of the records of arrest, conviction, or incarceration for any purposes, including immigration purposes.

(j) Relief granted under this subdivision shall not impact the ability of a petitioner to file for relief under section 590.01.

ARTICLE 17

DEPARTMENT OF HUMAN SERVICES PROGRAM INTEGRITY

Section 1. Minnesota Statutes 2024, section 13.46, subdivision 2, is amended to read:

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

- (1) according to section 13.05;
- (2) according to court order;
- (3) according to a statute specifically authorizing access to the private data;
- (4) to an agent ~~of the welfare system and an~~ or investigator acting on behalf of a county, the state, or the federal government, including a law enforcement person or attorney in the investigation or prosecution of a criminal, civil, or administrative proceeding relating to the administration of a program;
- (5) to personnel of the welfare system who require the data to verify an individual's identity; determine eligibility, amount of assistance, and the need to provide services to an individual or family across programs; coordinate services for an individual or family; evaluate the effectiveness of programs; assess parental contribution amounts; and investigate suspected fraud;
- (6) to administer federal funds or programs;

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

(8) to the Department of Revenue to administer and evaluate tax refund or tax credit programs and to identify individuals who may benefit from these programs, and prepare the databases for reports required under section 270C.13 and Laws 2008, chapter 366, article 17, section 6. The following information may be disclosed under this paragraph: an individual's and their dependent's names, dates of birth, Social Security or individual taxpayer identification numbers, income, addresses, and other data as required, upon request by the Department of Revenue. Disclosures by the commissioner of revenue to the commissioner of human services for the purposes described in this clause are governed by section 270B.14, subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund under section 290A.04, and the Minnesota education credit under section 290.0674;

(9) between the Department of Human Services; the Department of Employment and Economic Development; the Department of Children, Youth, and Families; Direct Care and Treatment; and, when applicable, the Department of Education, for the following purposes:

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

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

(iii) to monitor and evaluate the Minnesota family investment program or the child care assistance program by exchanging data on recipients and former recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 142F, 256D, 256J, or 256K, child care assistance under chapter 142E, medical programs under chapter 256B or 256L; and

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

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

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

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

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

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

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

(i) the participant:

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

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

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

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

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

(17) information obtained from a SNAP applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the Food and Nutrition Act, according to Code of Federal Regulations, title 7, section 272.1(c);

(18) the address, Social Security or individual taxpayer identification number, and, if available, photograph of any member of a household receiving SNAP benefits shall be made available, on request, to a local, state, or federal law enforcement officer if the officer furnishes the agency with the name of the member and notifies the agency that:

(i) the member:

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

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

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

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

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

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

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

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

(22) data in the work reporting system may be disclosed under section 142A.29, subdivision 7;

(23) to the Department of Education for the purpose of matching Department of Education student data with public assistance data to determine students eligible for free and reduced-price meals, meal supplements, and free milk according to United States Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state funds that are distributed based on income of the student's family; and to verify receipt of energy assistance for the telephone assistance plan;

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

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

(26) to personnel of public assistance programs as defined in section 518A.81, for access to the child support system database for the purpose of administration, including monitoring and evaluation of those public assistance programs;

(27) to monitor and evaluate the Minnesota family investment program by exchanging data between the Departments of Human Services; Children, Youth, and Families; and Education, on recipients and former recipients of SNAP benefits, cash assistance under chapter 142F, 256D, 256J, or 256K, child care assistance under chapter 142E, medical programs under chapter 256B or 256L, or a medical program formerly codified under chapter 256D;

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

(29) counties and the Department of Children, Youth, and Families operating child care assistance programs under chapter 142E may disseminate data on program participants, applicants, and providers to the commissioner of education;

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

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

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

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

(34) between the Department of Human Services and the Metropolitan Council for the following purposes:

(i) to coordinate special transportation service provided under section 473.386 with services for people with disabilities and elderly individuals funded by or through the Department of Human Services; and

(ii) to provide for reimbursement of special transportation service provided under section 473.386.

The data that may be shared under this clause are limited to the individual's first, last, and middle names; date of birth; residential address; and program eligibility status with expiration date for the purposes of informing the other party of program eligibility.

(b) Information on persons who have been treated for substance use disorder may only be disclosed according to the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

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

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

Sec. 2. Minnesota Statutes 2024, section 13.46, subdivision 3, as amended by Laws 2025, chapter 21, section 3, and Laws 2025, chapter 38, article 3, section 1, is amended to read:

Subd. 3. **Investigative data.** (a) Data on persons, including data on vendors of services, licensees, and applicants that is collected, maintained, used, or disseminated by the welfare system in an investigation, authorized by statute, and relating to the enforcement of rules or law are confidential data on individuals pursuant to section 13.02, subdivision 3, or protected nonpublic data not on individuals pursuant to section 13.02, subdivision 13, and shall not be disclosed except:

(1) pursuant to section 13.05;

(2) pursuant to statute or valid court order;

(3) to a party named in a civil or criminal proceeding, administrative or judicial, for preparation of defense;

(4) to an agent ~~of the welfare system~~ or an investigator acting on behalf of a county, state, or federal government, including a law enforcement officer or attorney in the investigation or prosecution of a criminal, civil, or administrative proceeding, unless the commissioner of human services; the commissioner of children, youth, and families; or the Direct Care and Treatment executive board determines that disclosure may

compromise a Department of Human Services; Department of Children, Youth, and Families; or Direct Care and Treatment ongoing investigation; or

(5) to provide notices required or permitted by statute.

The data referred to in this subdivision shall be classified as public data upon submission to an administrative law judge or court in an administrative or judicial proceeding. Inactive welfare investigative data shall be treated as provided in section 13.39, subdivision 3.

(b) Notwithstanding any other provision in law, the commissioner of human services or the commissioner of children, youth, and families shall provide all active and inactive investigative data, including the name of the reporter of alleged maltreatment under section 626.557 or chapter 260E, to the ombudsman for mental health and developmental disabilities upon the request of the ombudsman.

(c) Notwithstanding paragraph (a) and section 13.39, the existence of an investigation by the commissioner of human services or the commissioner of children, youth, and families of possible overpayments of public funds to a service provider or recipient or the reduction or withholding of payments may be disclosed if the commissioner determines that it will not compromise the investigation.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 3. Minnesota Statutes 2024, section 245.095, is amended by adding a subdivision to read:

Subd. 6. Data practices. The commissioner may exchange information, including claims data, with state or federal agencies, professional boards, departments, or programs for the purpose of investigating or prosecuting a criminal, civil, or administrative proceeding related to suspected fraud or exclusion from any program administered by a state or federal agency.

Sec. 4. Minnesota Statutes 2024, section 245A.04, subdivision 1, as amended by Laws 2025, chapter 38, article 5, section 5, is amended to read:

Subdivision 1. **Application for licensure.** (a) An individual, organization, or government entity that is subject to licensure under section 245A.03 must apply for a license. The application must be made on the forms and in the manner prescribed by the commissioner. The commissioner shall provide the applicant with instruction in completing the application and provide information about the rules and requirements of other state agencies that affect the applicant. An applicant seeking licensure in Minnesota with headquarters outside of Minnesota must have a program office located within 30 miles of the Minnesota border. An applicant who intends to buy or otherwise acquire a program or services licensed under this chapter that is owned by another license holder must apply for a license under this chapter and comply with the application procedures in this section and section 245A.043.

The commissioner shall act on the application within 90 working days after a complete application and any required reports have been received from other state agencies or departments, counties, municipalities, or other political subdivisions. The commissioner shall not consider an application to be complete until the commissioner receives all of the required information. If the applicant or a controlling individual is the subject of a pending administrative, civil, or criminal investigation, the application is not complete until the investigation has closed or the related legal proceedings are complete.

When the commissioner receives an application for initial licensure that is incomplete because the applicant failed to submit required documents or that is substantially deficient because the documents submitted do not meet licensing requirements, the commissioner shall provide the applicant written notice

that the application is incomplete or substantially deficient. In the written notice to the applicant the commissioner shall identify documents that are missing or deficient and give the applicant 45 days to resubmit a second application that is substantially complete. An applicant's failure to submit a substantially complete application after receiving notice from the commissioner is a basis for license denial under section 245A.043.

(b) An application for licensure must identify all controlling individuals as defined in section 245A.02, subdivision 5a, and must designate one individual to be the authorized agent. The application must be signed by the authorized agent and must include the authorized agent's first, middle, and last name; mailing address; and email address. By submitting an application for licensure, the authorized agent consents to electronic communication with the commissioner throughout the application process. The authorized agent must be authorized to accept service on behalf of all of the controlling individuals. A government entity that holds multiple licenses under this chapter may designate one authorized agent for all licenses issued under this chapter or may designate a different authorized agent for each license. Service on the authorized agent is service on all of the controlling individuals. It is not a defense to any action arising under this chapter that service was not made on each controlling individual. The designation of a controlling individual as the authorized agent under this paragraph does not affect the legal responsibility of any other controlling individual under this chapter.

(c) An applicant or license holder must have a policy that prohibits license holders, employees, subcontractors, and volunteers, when directly responsible for persons served by the program, from abusing prescription medication or being in any manner under the influence of a chemical that impairs the individual's ability to provide services or care. The license holder must train employees, subcontractors, and volunteers about the program's drug and alcohol policy before the employee, subcontractor, or volunteer has direct contact, as defined in section 245C.02, subdivision 11, with a person served by the program.

(d) An applicant and license holder must have a program grievance procedure that permits persons served by the program and their authorized representatives to bring a grievance to the highest level of authority in the program.

(e) The commissioner may limit communication during the application process to the authorized agent or the controlling individuals identified on the license application and for whom a background study was initiated under chapter 245C. Upon implementation of the provider licensing and reporting hub, applicants and license holders must use the hub in the manner prescribed by the commissioner. The commissioner may require the applicant, except for child foster care, to demonstrate competence in the applicable licensing requirements by successfully completing a written examination. The commissioner may develop a prescribed written examination format.

(f) When an applicant is an individual, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Social Security number or Minnesota tax identification number, and federal employer identification number if the applicant has employees;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, if any;

(3) if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique Minnesota Provider Identifier (UMPI) number; and

(5) at the request of the commissioner, the notarized signature of the applicant or authorized agent.

(g) When an applicant is an organization, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, and if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(3) the first, middle, and last name, and address for all individuals who will be controlling individuals, including all officers, owners, and managerial officials as defined in section 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant for each controlling individual;

(4) if applicable, the applicant's NPI number and UMPI number;

(5) the documents that created the organization and that determine the organization's internal governance and the relations among the persons that own the organization, have an interest in the organization, or are members of the organization, in each case as provided or authorized by the organization's governing statute, which may include a partnership agreement, bylaws, articles of organization, organizational chart, and operating agreement, or comparable documents as provided in the organization's governing statute; and

(6) the notarized signature of the applicant or authorized agent.

(h) When the applicant is a government entity, the applicant must provide:

(1) the name of the government agency, political subdivision, or other unit of government seeking the license and the name of the program or services that will be licensed;

(2) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(3) a letter signed by the manager, administrator, or other executive of the government entity authorizing the submission of the license application; and

(4) if applicable, the applicant's NPI number and UMPI number.

(i) At the time of application for licensure or renewal of a license under this chapter, the applicant or license holder must acknowledge on the form provided by the commissioner if the applicant or license holder elects to receive any public funding reimbursement from the commissioner for services provided under the license that:

(1) the applicant's or license holder's compliance with the provider enrollment agreement or registration requirements for receipt of public funding may be monitored by the commissioner as part of a licensing investigation or licensing inspection; and

(2) noncompliance with the provider enrollment agreement or registration requirements for receipt of public funding that is identified through a licensing investigation or licensing inspection, or noncompliance with a licensing requirement that is a basis of enrollment for reimbursement for a service, may result in:

(i) a correction order or a conditional license under section 245A.06, or sanctions under section 245A.07;

(ii) nonpayment of claims submitted by the license holder for public program reimbursement;

(iii) recovery of payments made for the service;

- (iv) disenrollment in the public payment program; or
- (v) other administrative, civil, or criminal penalties as provided by law.

Sec. 5. Minnesota Statutes 2024, section 245A.05, is amended to read:

245A.05 DENIAL OF APPLICATION.

(a) The commissioner may deny a license if an applicant or controlling individual:

(1) fails to submit a substantially complete application after receiving notice from the commissioner under section 245A.04, subdivision 1;

(2) fails to comply with applicable laws or rules;

(3) knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license or during an investigation;

(4) has a disqualification that has not been set aside under section 245C.22 and no variance has been granted;

(5) has an individual living in the household who received a background study under section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that has not been set aside under section 245C.22, and no variance has been granted;

(6) is associated with an individual who received a background study under section 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to children or vulnerable adults, and who has a disqualification that has not been set aside under section 245C.22, and no variance has been granted;

(7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

(8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision 6;

(9) has a history of noncompliance as a license holder or controlling individual with applicable laws or rules, including but not limited to this chapter and chapters 142E and 245C; ~~or~~

(10) is prohibited from holding a license according to section 245.095; or

(11) is the subject of a pending administrative, civil, or criminal investigation.

(b) An applicant whose application has been denied by the commissioner must be given notice of the denial, which must state the reasons for the denial in plain language. Notice must be given by certified mail, by personal service, or through the provider licensing and reporting hub. The notice must state the reasons the application was denied and must inform the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the commissioner in writing by certified mail, by personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the notice of denial. If an appeal request is made by personal service, it must be received by the commissioner within 20 calendar days after the applicant received the notice of denial. If the order is issued through the provider hub, the appeal must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. Section 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

Sec. 6. Minnesota Statutes 2024, section 245A.07, subdivision 2, is amended to read:

Subd. 2. **Temporary immediate suspension.** (a) The commissioner shall act immediately to temporarily suspend a license issued under this chapter if:

(1) the license holder's or controlling individual's actions or failure to comply with applicable law or rule, or the actions of other individuals or conditions in the program, pose an imminent risk of harm to the health, safety, or rights of persons served by the program;

(2) while the program continues to operate pending an appeal of an order of revocation, the commissioner identifies one or more subsequent violations of law or rule which may adversely affect the health or safety of persons served by the program; or

(3) the license holder or controlling individual is criminally charged in state or federal court with an offense that involves fraud or theft against a program administered by the commissioner a state or federal agency.

(b) No state funds shall be made available or be expended by any agency or department of state, county, or municipal government for use by a license holder regulated under this chapter while a license issued under this chapter is under immediate suspension. A notice stating the reasons for the immediate suspension and informing the license holder of the right to an expedited hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612, must be delivered by personal service to the address shown on the application or the last known address of the license holder. The license holder may appeal an order immediately suspending a license. The appeal of an order immediately suspending a license must be made in writing by certified mail, personal service, or other means expressly set forth in the commissioner's order. If mailed, the appeal must be postmarked and sent to the commissioner within five calendar days after the license holder receives notice that the license has been immediately suspended. If a request is made by personal service, it must be received by the commissioner within five calendar days after the license holder received the order. A license holder and any controlling individual shall discontinue operation of the program upon receipt of the commissioner's order to immediately suspend the license.

(c) The commissioner may act immediately to temporarily suspend a license issued under this chapter if the license holder or controlling individual is the subject of a pending administrative, civil, or criminal investigation or subject to an administrative or civil action related to fraud against a program administered by a state or federal agency.

Sec. 7. Minnesota Statutes 2024, section 256.983, subdivision 4, is amended to read:

Subd. 4. **Funding.** (a) County and Tribal agency reimbursement shall be made through the settlement provisions applicable to the Supplemental Nutrition Assistance Program (SNAP), MFIP, child care assistance programs, the medical assistance program, and other federal and state-funded programs.

(b) The commissioners will maintain program compliance if for any ~~three consecutive month period~~ quarter, a county or Tribal agency fails to comply with fraud prevention investigation program guidelines, or fails to meet the cost-effectiveness standards developed by the commissioners. This result is contingent on the commissioners providing written notice, including an offer of technical assistance, within 30 days of the end of the ~~third or subsequent month~~ quarter of noncompliance. The county or Tribal agency shall be required to submit a corrective action plan to the commissioners within 30 days of receipt of a notice of noncompliance. Failure to submit a corrective action plan or, continued deviation from standards of more than ten percent after submission of a corrective action plan, will result in denial of funding for each subsequent month, or billing the county or Tribal agency for fraud prevention investigation (FPI) service

provided by the commissioners, or reallocation of program grant funds, or investigative resources, or both, to other counties or Tribal agencies. The denial of funding shall apply to the general settlement received by the county or Tribal agency on a quarterly basis and shall not reduce the grant amount applicable to the FPI project.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 8. Minnesota Statutes 2024, section 256B.04, subdivision 21, is amended to read:

Subd. 21. **Provider enrollment.** (a) The commissioner shall enroll providers and conduct screening activities as required by Code of Federal Regulations, title 42, section 455, subpart E. A provider must enroll each provider-controlled location where direct services are provided. The commissioner may deny a provider's incomplete application if a provider fails to respond to the commissioner's request for additional information within 60 days of the request. The commissioner must conduct a background study under chapter 245C, including a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5), for a provider described in this paragraph. The background study requirement may be satisfied if the commissioner conducted a fingerprint-based background study on the provider that includes a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5).

(b) The commissioner shall revalidate each:

- (1) provider under this subdivision at least once every five years; and
- (2) personal care assistance agency under this subdivision once every three years.

(c) The commissioner shall conduct revalidation as follows:

(1) provide 30-day notice of the revalidation due date including instructions for revalidation and a list of materials the provider must submit;

(2) if a provider fails to submit all required materials by the due date, notify the provider of the deficiency within 30 days after the due date and allow the provider an additional 30 days from the notification date to comply; and

(3) if a provider fails to remedy a deficiency within the 30-day time period, give 60-day notice of termination and immediately suspend the provider's ability to bill. The provider does not have the right to appeal suspension of ability to bill.

(d) If a provider fails to comply with any individual provider requirement or condition of participation, the commissioner may suspend the provider's ability to bill until the provider comes into compliance. The commissioner's decision to suspend the provider is not subject to an administrative appeal.

(e) Correspondence and notifications, including notifications of termination and other actions, may be delivered electronically to a provider's MN-ITS mailbox. This paragraph does not apply to correspondences and notifications related to background studies.

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

(g) An enrolled provider that is also licensed by the commissioner under chapter 245A, is licensed as a home care provider by the Department of Health under chapter 144A, or is licensed as an assisted living

facility under chapter 144G and has a home and community-based services designation on the home care license under section 144A.484, must designate an individual as the entity's compliance officer. The compliance officer must:

- (1) develop policies and procedures to assure adherence to medical assistance laws and regulations and to prevent inappropriate claims submissions;
- (2) train the employees of the provider entity, and any agents or subcontractors of the provider entity including billers, on the policies and procedures under clause (1);
- (3) respond to allegations of improper conduct related to the provision or billing of medical assistance services, and implement action to remediate any resulting problems;
- (4) use evaluation techniques to monitor compliance with medical assistance laws and regulations;
- (5) promptly report to the commissioner any identified violations of medical assistance laws or regulations; and
- (6) within 60 days of discovery by the provider of a medical assistance reimbursement overpayment, report the overpayment to the commissioner and make arrangements with the commissioner for the commissioner's recovery of the overpayment.

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

(h) The commissioner may revoke the enrollment of an ordering or rendering provider for a period of not more than one year, if the provider fails to maintain and, upon request from the commissioner, provide access to documentation relating to written orders or requests for payment for durable medical equipment, certifications for home health services, or referrals for other items or services written or ordered by such provider, when the commissioner has identified a pattern of a lack of documentation. A pattern means a failure to maintain documentation or provide access to documentation on more than one occasion. Nothing in this paragraph limits the authority of the commissioner to sanction a provider under the provisions of section 256B.064.

(i) The commissioner shall terminate or deny the enrollment of any individual or entity if the individual or entity has been terminated from participation in Medicare or under the Medicaid program or Children's Health Insurance Program of any other state. The commissioner may exempt a rehabilitation agency from termination or denial that would otherwise be required under this paragraph, if the agency:

- (1) is unable to retain Medicare certification and enrollment solely due to a lack of billing to the Medicare program;
- (2) meets all other applicable Medicare certification requirements based on an on-site review completed by the commissioner of health; and
- (3) serves primarily a pediatric population.

(j) As a condition of enrollment in medical assistance, the commissioner shall require that a provider designated "moderate" or "high-risk" by the Centers for Medicare and Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid Services, its agents, or its designated contractors and the state agency, its agents, or its designated contractors to conduct unannounced on-site inspections of any provider location. The commissioner shall publish in the Minnesota Health Care Program Provider Manual a list of

provider types designated "limited," "moderate," or "high-risk," based on the criteria and standards used to designate Medicare providers in Code of Federal Regulations, title 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14. The commissioner's designations are not subject to administrative appeal.

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

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

(2) At the time of initial enrollment or reenrollment, durable medical equipment providers and suppliers defined in clause (3) must purchase a surety bond of \$50,000. If a revalidating provider's Medicaid revenue in the previous calendar year is up to and including \$300,000, the provider agency must purchase a surety bond of \$50,000. If a revalidating provider's Medicaid revenue in the previous calendar year is over \$300,000, the provider agency must purchase a surety bond of \$100,000. The surety bond must allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision. An agency decision is final when the right to appeal the debt has been exhausted or the time to appeal has expired under section 256B.064.

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

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

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 9. Minnesota Statutes 2024, section 256B.0659, subdivision 21, is amended to read:

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

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

(1) the personal care assistance provider agency's current contact information including address, telephone number, and email address;

(2) proof of surety bond coverage for each business location providing services. Upon new enrollment, or if the provider's Medicaid revenue in the previous calendar year is up to and including \$300,000, the provider agency must purchase a surety bond of \$50,000. If the Medicaid revenue in the previous year is over \$300,000, the provider agency must purchase a surety bond of \$100,000. The surety bond must be in a form approved by the commissioner, must be renewed annually, and must allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision. An agency decision is final when the right to appeal the debt has been exhausted or the time to appeal has expired under section 256B.064;

(3) proof of fidelity bond coverage in the amount of \$20,000 for each business location providing service;

(4) proof of workers' compensation insurance coverage identifying the business location where personal care assistance services are provided;

(5) proof of liability insurance coverage identifying the business location where personal care assistance services are provided and naming the department as a certificate holder;

(6) a copy of the personal care assistance provider agency's written policies and procedures including: hiring of employees; training requirements; service delivery; and employee and consumer safety including process for notification and resolution of consumer grievances, identification and prevention of communicable diseases, and employee misconduct;

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

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

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

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

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

(9) documentation that the personal care assistance provider agency and staff have successfully completed all the training required by this section, including the requirements under subdivision 11, paragraph (d), if enhanced personal care assistance services are provided and submitted for an enhanced rate under subdivision 17a;

(10) documentation of the agency's marketing practices;

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

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

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

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

(c) All personal care assistance provider agencies shall require all employees in management and supervisory positions and owners of the agency who are active in the day-to-day management and operations of the agency to complete mandatory training as determined by the commissioner before submitting an application for enrollment of the agency as a provider. All personal care assistance provider agencies shall also require qualified professionals to complete the training required by subdivision 13 before submitting an application for enrollment of the agency as a provider. Employees in management and supervisory positions and owners who are active in the day-to-day operations of an agency who have completed the required training as an employee with a personal care assistance provider agency do not need to repeat the required training if they are hired by another agency, if they have completed the training within the past three years. By September 1, 2010, the required training must be available with meaningful access according to title VI of the Civil Rights Act and federal regulations adopted under that law or any guidance from the United States Health and Human Services Department. The required training must be available online or by electronic remote connection. The required training must provide for competency testing. Personal care assistance provider agency billing staff shall complete training about personal care assistance program financial management. This training is effective July 1, 2009. Any personal care assistance provider agency enrolled before that date shall, if it has not already, complete the provider training within 18 months of July 1, 2009. Any new owners or employees in management and supervisory positions involved in the day-to-day operations are required to complete mandatory training as a requisite of working for the agency. Personal care assistance provider agencies certified for participation in Medicare as home health agencies are exempt from the training required in this subdivision. When available, Medicare-certified home health agency owners, supervisors, or managers must successfully complete the competency test.

(d) All surety bonds, fidelity bonds, workers' compensation insurance, and liability insurance required by this subdivision must be maintained continuously. After initial enrollment, a provider must submit proof of bonds and required coverages at any time at the request of the commissioner. Services provided while there are lapses in coverage are not eligible for payment. Lapses in coverage may result in sanctions, including termination. The commissioner shall send instructions and a due date to submit the requested information to the personal care assistance provider agency.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 10. Minnesota Statutes 2024, section 256B.4912, subdivision 1, is amended to read:

Subdivision 1. **Provider qualifications.** (a) For the home and community-based waivers providing services to seniors and individuals with disabilities under chapter 256S and sections 256B.0913, 256B.092, and 256B.49, the commissioner shall establish:

(1) agreements with enrolled waiver service providers to ensure providers meet Minnesota health care program requirements;

(2) regular reviews of provider qualifications, and including requests of proof of documentation; and

(3) processes to gather the necessary information to determine provider qualifications.

(b) A provider shall not require or coerce any service recipient to change waiver programs or move to a different location, consistent with the informed choice and independent living policies under section 256B.4905, subdivisions 1a, 2a, 3a, 7, and 8.

(c) ~~Beginning July 1, 2012,~~ For staff that provide direct contact, as defined in section 245C.02, subdivision 11, for services specified in the federally approved waiver plans, providers must meet the requirements of chapter 245C ~~prior to providing waiver services and as part of ongoing enrollment. Upon federal approval, and maintain documentation of background study requests and results. This requirement must also apply~~ applies to consumer-directed community supports.

(d) ~~Beginning January 1, 2014,~~ Service owners and managerial officials overseeing the management or policies of services that provide direct contact as specified in the federally approved waiver plans must meet the requirements of chapter 245C prior to reenrollment or revalidation or, for new providers, prior to initial enrollment if they have not already done so as a part of service licensure requirements.

Sec. 11. Minnesota Statutes 2024, section 256B.85, subdivision 12, is amended to read:

Subd. 12. **Requirements for enrollment of CFSS agency-providers.** (a) All CFSS agency-providers must provide, at the time of enrollment, reenrollment, and revalidation as a CFSS agency-provider in a format determined by the commissioner, information and documentation that includes but is not limited to the following:

(1) the CFSS agency-provider's current contact information including address, telephone number, and email address;

(2) proof of surety bond coverage. Upon new enrollment, or if the agency-provider's Medicaid revenue in the previous calendar year is less than or equal to \$300,000, the agency-provider must purchase a surety bond of \$50,000. If the agency-provider's Medicaid revenue in the previous calendar year is greater than \$300,000, the agency-provider must purchase a surety bond of \$100,000. The surety bond must be in a form approved by the commissioner, must be renewed annually, and must allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision. An agency decision is final when the right to appeal the debt has been exhausted or the time to appeal has expired under section 256B.064;

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

(4) proof of workers' compensation insurance coverage;

(5) proof of liability insurance;

(6) a copy of the CFSS agency-provider's organizational chart identifying the names and roles of all owners, managing employees, staff, board of directors, and additional documentation reporting any affiliations of the directors and owners to other service providers;

(7) proof that the CFSS agency-provider has written policies and procedures including: hiring of employees; training requirements; service delivery; and employee and consumer safety, including the process for notification and resolution of participant grievances, incident response, identification and prevention of communicable diseases, and employee misconduct;

(8) proof that the CFSS agency-provider has all of the following forms and documents:

(i) a copy of the CFSS agency-provider's time sheet; and

(ii) a copy of the participant's individual CFSS service delivery plan;

(9) a list of all training and classes that the CFSS agency-provider requires of its staff providing CFSS services;

(10) documentation that the CFSS agency-provider and staff have successfully completed all the training required by this section;

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

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

(13) documentation that the agency-provider will use at least the following percentages of revenue generated from the medical assistance rate paid for CFSS services for CFSS support worker wages and benefits: 72.5 percent of revenue from CFSS providers, except 100 percent of the revenue generated by a medical assistance rate increase due to a collective bargaining agreement under section 179A.54 must be used for support worker wages and benefits. The revenue generated by the worker training and development services and the reasonable costs associated with the worker training and development services shall not be used in making this calculation; and

(14) documentation that the agency-provider does not burden participants' free exercise of their right to choose service providers by requiring CFSS support workers to sign an agreement not to work with any particular CFSS participant or for another CFSS agency-provider after leaving the agency and that the agency is not taking action on any such agreements or requirements regardless of the date signed.

(b) CFSS agency-providers shall provide to the commissioner the information specified in paragraph (a).

(c) All CFSS agency-providers shall require all employees in management and supervisory positions and owners of the agency who are active in the day-to-day management and operations of the agency to complete mandatory training as determined by the commissioner. Employees in management and supervisory positions and owners who are active in the day-to-day operations of an agency who have completed the required training as an employee with a CFSS agency-provider do not need to repeat the required training if they are hired by another agency and they have completed the training within the past three years. CFSS agency-provider billing staff shall complete training about CFSS program financial management. Any new

owners or employees in management and supervisory positions involved in the day-to-day operations are required to complete mandatory training as a requisite of working for the agency.

(d) Agency-providers shall submit all required documentation in this section within 30 days of notification from the commissioner. If an agency-provider fails to submit all the required documentation, the commissioner may take action under subdivision 23a.

EFFECTIVE DATE. This section is effective July 1, 2025.

ARTICLE 18

HOMELESSNESS, HOUSING, AND SUPPORT SERVICES

Section 1. Minnesota Statutes 2024, section 256I.03, subdivision 11a, is amended to read:

Subd. 11a. **MSA equivalent rate.** (a) "MSA equivalent rate" means an amount equal to the total of:

(1) the combined maximum shelter and basic needs standards for MSA recipients living alone specified in section 256D.44, subdivisions 2, paragraph (a); and 3, paragraph (a); plus

(2) the maximum allotment authorized by the federal Supplemental Nutrition Assistance Program (SNAP) for a single individual which is in effect on the first day of July each year; less

(3) the personal needs allowance authorized for medical assistance recipients under section 256B.35.

(b) The MSA equivalent rate is to must be adjusted on the first day of July each year to reflect changes increases in any of the component rates under clauses (1) to (3).

Sec. 2. **FAMILY SUPPORTIVE HOUSING GRANT PROGRAM.**

Subdivision 1. **Establishment; purpose.** The commissioner of human services must establish a family supportive housing grant program to help families and children maintain safe and stable housing.

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Eligible organization" means an organization that is currently operating a family supportive housing program and is a nonprofit organization or a Minnesota Tribal government, as defined in Minnesota Statutes, section 10.65, subdivision 2, clause (4).

(c) "Family" means a household unit that includes at least one child and one parent or legal guardian.

(d) "Family support services" means trauma-informed and culturally appropriate services designed to help residents maintain stable housing and provide a safe environment for children and families, including:

(1) age-appropriate, child-centric services for education and enrichment;

(2) educational assessment and referrals to educational programs;

(3) career planning, work skills training, job placement, and employment retention services;

(4) budgeting and money management;

(5) counseling referrals for domestic or sexual violence;

(6) referrals for medical or psychiatric services or substance use disorder treatment;

(7) parenting skills training;

(8) tenant education and supports;

(9) front desk and security staffing for a supportive housing complex; and

(10) other services needed to stabilize housing.

(e) "Family supportive housing" means housing that:

(1) is not time limited;

(2) is affordable for those at or below 30 percent of the area median income;

(3) offers family support services to residents to maintain housing stability; and

(4) is available to families with multiple barriers to obtaining and maintaining housing, including but not limited to those who are homeless or at risk of homelessness; those with mental illness, substance use disorders, or other disabilities; and those referred by child protection services.

(f) "Resident" means a resident of family permanent supportive housing.

Subd. 3. **Application and administration.** (a) An eligible organization may apply for a grant to maintain or expand a program that provides family supportive housing and must use any grant money received under this section for that purpose. Grants must be awarded to eligible organizations through a competitive request for proposal process using a timeline and application determined by the commissioner.

(b) At least 40 percent of the appropriation must be awarded to eligible organizations serving families outside the seven-county metropolitan area. If the commissioner does not receive sufficient eligible funding requests from greater Minnesota to award at least 40 percent of the appropriation to eligible organizations serving families outside the seven-county metropolitan area, the commissioner may award the remaining money to other eligible organizations.

(c) The commissioner must use best efforts to ensure that at least ten percent of the overall appropriation is awarded to Minnesota Tribal governments, as defined in Minnesota Statutes, section 10.65, subdivision 2, clause (4).

Subd. 4. **Reporting.** Grantees must collect and make available to the commissioner the following information on the grantee's family supportive housing program:

(1) the number of families and residents served;

(2) the length of time each family and resident resided in the program; and

(3) the reasons families or residents exited the program.

Sec. 3. DIRECTION TO COMMISSIONER; INDIAN HEALTH SERVICE ENCOUNTER RATE.

The commissioner of human services must submit a state plan amendment to the Centers for Medicare and Medicaid Services authorizing housing services as a new service category eligible for reimbursement at the outpatient per-day rate approved by the Indian Health Service. This reimbursement is limited to services provided by facilities of the Indian Health Service and facilities owned or operated by a Tribe or Tribal organization. For the purposes of this section, "housing services" means housing stabilization services as described in Minnesota Statutes, section 256B.051, subdivision 5, paragraphs (a) to (d).

ARTICLE 19
MISCELLANEOUS**Section 1. [135A.1368] OPIATE ANTAGONISTS; TRIBAL COLLEGES.**

(a) For purposes of this section, "opiate antagonist" has the meaning given in section 604A.04, subdivision 1.

(b) The commissioner of health shall distribute money to Leech Lake Tribal College, White Earth Tribal College, and Red Lake Nation Tribal College to make opiate antagonists available according to paragraph

(c). The commissioner may determine an appropriate method to equitably allocate the amounts appropriated under this section among the colleges.

(c) A Tribal college receiving money under this section must:

(1) maintain a supply of opiate antagonists at each campus site to be administered in compliance with section 151.37, subdivision 12; and

(2) have at least two doses of a nasal opiate antagonist available on site at each campus residential building.

Sec. 2. Minnesota Statutes 2024, section 145C.01, is amended by adding a subdivision to read:

Subd. 1c. **Emergency medical services provider.** "Emergency medical services provider" means:

(1) an ambulance service licensed under chapter 144E;

(2) a medical response unit as defined in section 144E.275, subdivision 1;

(3) an emergency medical responder as defined in section 144E.001, subdivision 6; or

(4) ambulance service personnel as defined in section 144E.001, subdivision 3a.

Sec. 3. Minnesota Statutes 2024, section 145C.01, is amended by adding a subdivision to read:

Subd. 7b. **Nonopioid directive.** "Nonopioid directive" means a written instrument that includes one or more instructions that a patient must not be administered an opioid by a health professional or be offered a prescription for an opioid by a prescriber.

Sec. 4. Minnesota Statutes 2024, section 145C.01, is amended by adding a subdivision to read:

Subd. 7c. **Prescriber.** "Prescriber" means an individual who is authorized by section 148.235; 151.01, subdivision 23; or 151.37 to prescribe prescription drugs.

Sec. 5. Minnesota Statutes 2024, section 145C.17, is amended to read:

145C.17 OPIOID INSTRUCTIONS ENTERED INTO HEALTH RECORD.

At the request of the patient or health care agent, a health care provider shall enter into the patient's health care record any instructions relating to administering, dispensing, or prescribing an opioid. A health care provider presented with a nonopioid directive executed by or on behalf of a patient must include the

nonopioid directive in the patient's health care record. A health care provider receiving notice of revocation of a patient's nonopioid directive must note the revocation in the patient's health care record.

Sec. 6. **[145C.18] NONOPIOID DIRECTIVE.**

Subdivision 1. **Execution.** A patient with the capacity to do so may execute a nonopioid directive on the patient's own behalf. A patient's health care agent may execute a nonopioid directive on behalf of the patient. A nonopioid directive must include one or more instructions that the patient must not be administered an opioid by a health professional or be offered a prescription for an opioid by a prescriber.

Subd. 2. **Revocation.** A patient who executed a nonopioid directive on the patient's own behalf may revoke the nonopioid directive at any time and in any manner in which the patient is able to communicate an intent to revoke the nonopioid directive. A patient's health care agent may revoke the nonopioid directive executed on behalf of a patient by executing a written, dated statement of revocation and by providing notice of the revocation to the patient's health care provider.

Subd. 3. **Compliance with nonopioid directive; exception.** (a) Except as specified in paragraph (b), prescribers and health professionals must comply with a nonopioid directive executed under this section.

(b) A prescriber or a health professional acting on the order of a prescriber may administer an opioid to a patient with a nonopioid directive if:

(1) the patient is being treated, in emergency circumstances, in a hospital setting or in a setting outside a hospital;

(2) in the prescriber's professional opinion, it is medically necessary to administer an opioid to the patient in order to treat the patient, including but not limited to during a surgical procedure when one or more complications arise; and

(3) it is not practical or feasible for the prescriber or health professional to access the patient's health care record.

If an opioid is administered according to this paragraph to a patient with a nonopioid directive, the prescriber must ensure that the patient is provided with information on substance use disorder services.

Subd. 4. **Immunities.** Except as otherwise provided by law, the following persons or entities are not subject to criminal prosecution, civil liability, or professional disciplinary action for failing to prescribe, administer, or dispense an opioid to a patient with a nonopioid directive; for the administration of an opioid in the circumstances in subdivision 3, paragraph (b), to a patient with a nonopioid directive; or for the inadvertent administration of an opioid to a patient with a nonopioid directive, if the act or failure to act was performed in good faith and in accordance with the applicable standard of care:

(1) a health professional whose scope of practice includes prescribing, administering, or dispensing a controlled substance;

(2) an employee of a health professional described in clause (1);

(3) a health care facility or an employee of a health care facility; or

(4) an emergency medical services provider.

Subd. 5. **Nonopioid directive form.** The commissioner of health must develop a nonopioid directive form for use by patients and health care agents to communicate to health professionals and prescribers that

a patient with a nonopioid directive must not be administered an opioid or offered a prescription for an opioid. The commissioner must include on the nonopioid directive form instructions for how to revoke a nonopioid directive and other information the commissioner deems relevant. The commissioner must post the form on the Department of Health website.

Sec. 7. Minnesota Statutes 2024, section 149A.02, is amended by adding a subdivision to read:

Subd. 42. **Green burial.** "Green burial" means a method of burial that emphasizes environmental sustainability without interfering with natural decomposition and:

- (1) the body is not embalmed;
- (2) a biodegradable casket or shroud is used; and
- (3) no vault or outer burial container is employed for a casket or shroud.

Sec. 8. Minnesota Statutes 2024, section 256B.051, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** An individual with a disability is eligible for housing stabilization services if the individual:

- (1) is 18 years of age or older;
- (2) is enrolled in medical assistance;
- (3) has income at or below 150 percent of the federal poverty level;
- (4) has an assessment of functional need that determines a need for services due to limitations caused by the individual's disability;
- ~~(4)~~ (5) resides in or plans to transition to a community-based setting as defined in Code of Federal Regulations, title 42, section 441.301 (c); and
- ~~(5)~~ (6) has housing instability evidenced by:
 - (i) being homeless or at-risk of homelessness;
 - (ii) being in the process of transitioning from, or having transitioned in the past six months from, an institution or licensed or registered setting;
 - (iii) being eligible for waiver services under chapter 256S or section 256B.092 or 256B.49; or
 - (iv) having been identified by a long-term care consultation under section 256B.0911 as at risk of institutionalization.

Sec. 9. **[306.991] GREEN BURIALS IN PUBLIC CEMETERIES.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

- (b) "Drainage system" has the meaning given in section 103E.005, subdivision 12.
- (c) "Green burial" has the meaning given in section 149A.02, subdivision 42.
- (d) "Natural watercourse" has the meaning given in section 103G.005, subdivision 13.

(e) "Ordinary high-water level" has the meaning given in section 103G.005, subdivision 14.

(f) "Water supply well" has the meaning given in section 103I.005, subdivision 20a.

Subd. 2. **Green burial requirements.** A municipality, town, or other cemetery governed by this chapter that allows for green burials must comply with the requirements of this section.

Subd. 3. **Green burial plot locations.** (a) Green burial plots must meet the following criteria:

(1) be set back 50 feet from property lines;

(2) maintain at least three and one-half feet clearance above the ordinary high-water level;

(3) not be in standing water;

(4) not be within zone 1 groundwater source protection zones around a spring, a water supply well, or a shaft drilled into the ground meant to extract water; and

(5) not be within flood-prone areas.

(b) Green burial plot locations must be a certain distance from water sources. Green burial plot locations must be:

(1) 50 feet from water supply wells and shafts drilled into the ground used to extract water;

(2) 100 feet from other springs or watercourses; and

(3) 33 feet from drainage systems.

Subd. 4. **Exception.** A property with green burial plots in a designated location on or before July 1, 2025, does not need to comply with the requirement of subdivision 3, paragraph (a), clause (1).

Subd. 5. **Burial depth.** (a) Green burial plots must be at a minimum depth of three and one-half feet from the base of the grave to the soil horizon.

(b) Green burials must have three and one-half feet of cover.

Subd. 6. **Burial density.** Green burial plots must be a maximum of 300 burials per acre over a 100-year period.

Sec. 10. **[306.992] SCATTERING OF HYDROLYZED OR CREMATED REMAINS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Cremated remains" has the meaning given in section 149A.02, subdivision 7.

(c) "Hydrolyzed remains" has the meaning given in section 149A.02, subdivision 24a.

Subd. 2. **Designated location.** A municipality, town, or other cemetery governed by this chapter that allows for scattering of hydrolyzed remains or cremated remains must designate a location within the cemetery for the scattering of hydrolyzed remains or cremated remains.

Sec. 11. [307.14] GREEN BURIALS IN PRIVATE CEMETERIES.

Subdivision 1. Definitions. (a) For purposes of this section, the following terms have the meanings given.

(b) "Drainage system" has the meaning given in section 103E.005, subdivision 12.

(c) "Green burial" has the meaning given in section 149A.02, subdivision 42.

(d) "Natural watercourse" has the meaning given in section 103G.005, subdivision 13.

(e) "Ordinary high-water level" has the meaning given in section 103G.005, subdivision 14.

(f) "Water supply well" has the meaning given in section 103I.005, subdivision 20a.

Subd. 2. Green burial requirements. A person who owns a cemetery governed by this chapter that allows for green burials must comply with the requirements of this section.

Subd. 3. Green burial plot locations. (a) Green burial plots must meet the following criteria:

(1) be set back 50 feet from property lines;

(2) maintain at least three and one-half feet clearance above the ordinary high-water level;

(3) not be in standing water;

(4) not be within zone 1 groundwater source protection zones around a spring, a water supply well, or a shaft drilled into the ground meant to extract water; and

(5) not be within flood-prone areas.

(b) Green burial plot locations must be a certain distance from water sources. Green burial plot locations must be:

(1) 50 feet from water supply wells and shafts drilled into the ground used to extract water;

(2) 100 feet from other springs or watercourses; and

(3) 33 feet from drainage systems.

Subd. 4. Exception. A property with green burial plots in a designated location on or before July 1, 2025, does not need to comply with the requirement of subdivision 3, paragraph (a), clause (1).

Subd. 5. Burial depth. (a) Green burial plots must be at a minimum depth of three and one-half feet from the base of the grave to the soil horizon.

(b) Green burials must have three and one-half feet of cover.

Subd. 6. Burial density. Green burial plots must be a maximum of 300 burials per acre over a 100-year period.

Sec. 12. [307.15] SCATTERING OF HYDROLYZED OR CREMATED REMAINS.

Subdivision 1. Definitions. (a) For purposes of this section, the following terms have the meanings given.

(b) "Cremated remains" has the meaning given in section 149A.02, subdivision 7.

(c) "Hydrolyzed remains" has the meaning given in section 149A.02, subdivision 24a.

Subd. 2. **Designated location.** A person who owns a cemetery governed by this chapter that allows for scattering of hydrolyzed remains or cremated remains must designate a location within the cemetery for the scattering of hydrolyzed or cremated remains.

Sec. 13. **[325M.335] MENTAL HEALTH WARNING LABEL.**

Subdivision 1. **Warning label required.** (a) Effective July 1, 2026, a social media platform must ensure that a conspicuous mental health warning label that complies with the requirements under this section:

(1) appears each time a user accesses the social media platform; and

(2) only disappears when the user: (i) exits the social media platform; or (ii) acknowledges the potential for harm and chooses to proceed to the social media platform despite the risk.

(b) A mental health warning label under this section must:

(1) in a manner that conforms with the guidelines established under subdivision 2, warn the user of potential negative mental health impacts of accessing the social media platform; and

(2) provide the user access to resources to address the potential negative mental health impacts described in clause (1) and include the website and telephone number of a national suicide prevention and mental health crisis hotline system, including but not limited to the 988 Suicide and Crisis Lifeline.

(c) A social media platform is prohibited from:

(1) providing the warning label exclusively in the social media platform's terms and conditions;

(2) including extraneous information in the warning label that obscures the visibility or prominence of the warning label; or

(3) allowing a user to disable a warning label, except as provided under paragraph (a).

Subd. 2. **Content of label.** (a) By March 1, 2026, the commissioner of health, in consultation with the commissioner of commerce, must develop guidelines for social media platforms that contain appropriate requirements for the warning labels required under this section. The guidelines must be based on current evidence regarding the negative mental health impacts of social media platforms. The commissioners must review and revise the guidelines as appropriate.

(b) The commissioner of health is exempt from chapter 14, including section 14.386, when implementing this subdivision.

Sec. 14. Minnesota Statutes 2024, section 325M.34, is amended to read:

325M.34 ENFORCEMENT AUTHORITY.

(a) The attorney general may investigate and bring an action against a social media platform for an alleged violation of section 325M.33 or 325M.335.

(b) Nothing in sections 325M.30 to 325M.34 creates a private cause of action in favor of a person injured by a violation of section 325M.33.

Sec. 15. TRANSFERS TO THE DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES IN UNCODIFIED LAW.

Any power, duty, or responsibility given to the commissioner of human services or the Department of Human Services in an uncodified section of Laws of Minnesota that is a part of, necessary for, or in service of a power, duty, or responsibility transferred in Laws 2023, chapter 70, article 12, section 30, or Laws 2024, chapter 80, transfers to the commissioner of children, youth, and families or the Department of Children, Youth, and Families upon the notice of transfer of the underlying power, duty, or responsibility required in Laws 2023, chapter 70, article 12, section 30, subdivision 1. This section applies to uncodified sections of Laws of Minnesota enacted before and after Laws 2023, chapter 70, including but not limited to Laws 2024, chapter 117, sections 16 to 22.

Sec. 16. DIRECTION TO THE COMMISSIONERS OF HEALTH; HUMAN SERVICES; AND CHILDREN, YOUTH, AND FAMILIES; REPORTS ON GRANT FUNDING.

(a) Beginning January 15, 2026, and each odd-numbered year thereafter, the commissioners of health; human services; and children, youth, and families must each submit a report that contains an accurate list of all grants with money appropriated in the preceding fiscal year and appropriated for the current biennium and the following biennium that are administered by each commissioner and must include for each grant:

(1) the name of the grant;

(2) a description of the grant, including the eligibility criteria of grantees and the purpose of the grant;

(3) the amount appropriated in each fiscal year that supports the total appropriation for each grant budget activity for the November forecast in each even-numbered year; and

(4) the accurate and complete statutory or Minnesota Laws citation for the authority for the grant.

(b) The commissioner of health must submit the report in paragraph (a) to the chairs and ranking minority members of the legislative committees with jurisdiction over health, and to the director of the House Research Department, the chief fiscal analyst of the House Fiscal Analysis Department, and the director and principal fiscal analyst of Senate Counsel, Research and Fiscal Analysis.

(c) The commissioner of human services must submit the report in paragraph (a) to the chairs and ranking minority members of the legislative committees with jurisdiction over human services, and to the director of the House Research Department, the chief fiscal analyst of the House Fiscal Analysis Department, and the director and principal fiscal analyst of Senate Counsel, Research and Fiscal Analysis.

(d) The commissioner of children, youth, and families must submit the report in paragraph (a) to the chairs and ranking minority members of the legislative committees with jurisdiction over children, youth, and families, and to the director of the House Research Department, the chief fiscal analyst of the House Fiscal Analysis Department, and the director and principal fiscal analyst of Senate Counsel, Research and Fiscal Analysis.

(e) The reports provided under this section expire on June 30, 2036.

**Sec. 17. DIRECTION TO THE COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES;
CHILD CARE AND DEVELOPMENT BLOCK GRANT ALLOCATIONS.**

(a) The commissioner of children, youth, and families shall allocate \$450,000 in fiscal year 2026 from the child care and development block grant for child care improvement grants under Minnesota Statutes, section 142D.20, subdivision 3, paragraph (a), clause (7). This is a onetime allocation.

(b) The commissioner of children, youth, and families shall allocate \$1,639,000 in fiscal year 2028 and \$1,638,000 in fiscal year 2029 from the child care and development block grant for the development of a statewide electronic attendance and record keeping system for the child care assistance program.

(c) The commissioner of children, youth, and families shall allocate \$1,175,000 in fiscal year 2026, \$5,261,000 in fiscal year 2027, \$5,626,000 in fiscal year 2028, and \$8,568,000 in fiscal year 2029 from the child care and development block grant for MFIP and basic sliding fee child care assistance to comply with federal requirements.

(d) The commissioner of children, youth, and families shall allocate \$3,809,000 in fiscal year 2026, \$4,111,000 in fiscal year 2027, \$4,094,000 in fiscal year 2028, and \$1,492,000 in fiscal year 2029 from the child care and development block grant for basic sliding fee child care assistance for reallocation from the general fund.

(e) The commissioner of children, youth, and families shall allocate \$100,000 in fiscal year 2026 from the child care and development block grant for family child care modernization information technology efforts.

**Sec. 18. DIRECTION TO THE COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES;
ALLOCATION OF TANF-ELIGIBLE GENERAL FUND EXPENDITURES.**

The commissioner of children, youth, and families must identify \$1,475,000 in fiscal year 2026 and \$1,723,000 in fiscal year 2027 of general fund expenditures attributable to eligible activities under Minnesota Statutes, chapter 142G, and reduce general fund expenditures by the same amounts. The commissioner must allocate \$1,475,000 in fiscal year 2026 and \$1,723,000 in fiscal year 2027 to eligible activities under Minnesota Statutes, chapter 142G, to the TANF fund.

ARTICLE 20**DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS****Section 1. HUMAN SERVICES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the commissioner of human services for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

**APPROPRIATIONS
Available for the Year**

		<u>Ending June 30</u>	
		<u>2026</u>	<u>2027</u>
Sec. 2. <u>COMMISSIONER OF HUMAN SERVICES</u>	\$	<u>3,234,320,000</u>	\$ <u>3,385,205,000</u>

Subdivision 1. Total Appropriation

<u>Appropriations by Fund</u>		
	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>2,031,450,000</u>	<u>2,264,925,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>4,273,000</u>	<u>4,273,000</u>
<u>Health Care Access</u>	<u>1,198,240,000</u>	<u>1,115,650,000</u>
<u>Lottery Prize</u>	<u>163,000</u>	<u>163,000</u>
<u>Family and Medical</u>		
<u>Benefit Insurance</u>	<u>194,000</u>	<u>194,000</u>

The amounts that may be spent for each purpose are specified in this article.

Subd. 2. Information Technology Appropriations

(a) IT appropriations generally. This appropriation includes money for information technology projects, services, and support. Funding for information technology project costs must be incorporated into the service-level agreement and paid to Minnesota IT Services by the Department of Human Services under the rates and mechanism specified in that agreement.

(b) Receipts for systems project. Appropriations and federal receipts for information technology systems projects for MMIS, MAXIS, ISDS, SSIS, and METS must be deposited in the state systems account authorized in Minnesota Statutes, section 256.014. Money appropriated for information technology projects approved by the commissioner of Minnesota IT Services, funded by the legislature, and approved by the commissioner of management and budget may be transferred from one project to another and from development to operations as the commissioner of human services deems necessary. Any unexpended balance in the appropriation for these projects does

not cancel and is available for ongoing development and operations.

Sec. 3. CENTRAL OFFICE; OPERATIONS

Subdivision 1. <u>Total Appropriation</u>	\$	<u>166,697,000</u>	\$	<u>171,673,000</u>
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Appropriations by Fund

<u>General</u>	<u>144,847,000</u>	<u>148,296,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>248,000</u>	<u>248,000</u>
<u>Health Care Access</u>	<u>21,408,000</u>	<u>22,935,000</u>
<u>Family and Medical</u>		
<u>Benefits Insurance</u>	<u>194,000</u>	<u>194,000</u>

Subd. 2. Administrative Recovery; Set-Aside

The commissioner may invoice local entities through the SWIFT accounting system as an alternative means to recover the actual cost of administering the following provisions:

(1) the statewide data management system authorized in Minnesota Statutes, section 125A.744, subdivision 3;

(2) repayment of the special revenue maximization account as provided under Minnesota Statutes, section 245.495, paragraph (b);

(3) repayment of the special revenue maximization account as provided under Minnesota Statutes, section 256B.0625, subdivision 20, paragraph (k);

(4) targeted case management under Minnesota Statutes, section 256B.0924, subdivision 6, paragraph (g);

(5) residential services for children with severe emotional disturbance under Minnesota Statutes, section 256B.0945, subdivision 4, paragraph (d); and

(6) repayment of the special revenue maximization account as provided under Minnesota Statutes, section 256F.10, subdivision 6, paragraph (b).

Subd. 3. Family and Medical Benefit Insurance

\$194,000 in fiscal year 2026 and \$194,000 in fiscal year 2027 are from the family and medical benefit insurance fund for systems costs to administer Minnesota Statutes, chapter 268B.

Subd. 4. Base Level Adjustment

The general fund base for this section is \$144,299,000 in fiscal year 2028 and \$144,349,000 in fiscal year 2029.

Sec. 4. CENTRAL OFFICE; HEALTH CARE

Subdivision 1. <u>Total Appropriation</u>	\$	<u>69,056,000</u>	\$	<u>63,585,000</u>
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Appropriations by Fund

<u>General</u>	<u>40,888,000</u>	<u>35,417,000</u>
<u>Health Care Access</u>	<u>28,168,000</u>	<u>28,168,000</u>

Subd. 2. Base Level Adjustment

The general fund base for this section is \$35,562,000 in fiscal year 2028 and \$35,478,000 in fiscal year 2029.

Sec. 5. CENTRAL OFFICE; AGING AND DISABILITY SERVICES

\$	<u>49,290,000</u>	\$	<u>49,194,000</u>
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Appropriations by Fund

<u>General</u>	<u>49,165,000</u>	<u>49,069,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>125,000</u>	<u>125,000</u>

Sec. 6. CENTRAL OFFICE; BEHAVIORAL HEALTH

Subdivision 1. <u>Total Appropriation</u>	\$	<u>22,713,000</u>	\$	<u>23,077,000</u>
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Appropriations by Fund

<u>General</u>	<u>22,550,000</u>	<u>22,914,000</u>
<u>Lottery Prize</u>	<u>163,000</u>	<u>163,000</u>

Subd. 2. Psychiatric Residential Treatment Facility Report

\$288,000 in fiscal year 2026 is from the general fund for the development of the psychiatric residential treatment facility report and proposed legislation. This is a onetime appropriation and is available until June 30, 2027.

Subd. 3. Online Behavioral Health Program Locator

(a) \$959,000 in fiscal year 2026 and \$959,000 in fiscal year 2027 are from the general fund for an online behavioral health program locator.

(b) Any vendor selected to administer the online behavioral health program locator under paragraph (a) must be based in Minnesota. Notwithstanding section 27, this paragraph does not expire.

Subd. 4. Base Level Adjustment

The general fund base for this section is \$22,764,000 in fiscal year 2028 and \$22,764,000 in fiscal year 2029.

<u>Sec. 7. CENTRAL OFFICE; HOMELESSNESS, HOUSING, AND SUPPORT SERVICES</u>	<u>\$</u>	<u>6,681,000</u>	<u>\$</u>	<u>5,980,000</u>
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Sec. 8. CENTRAL OFFICE; OFFICE OF INSPECTOR GENERAL

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>36,262,000</u>	<u>\$</u>	<u>37,456,000</u>
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Appropriations by Fund

<u>General</u>	<u>31,421,000</u>	<u>32,615,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>3,900,000</u>	<u>3,900,000</u>
<u>Health Care Access</u>	<u>941,000</u>	<u>941,000</u>

Subd. 2. Base Level Adjustment

The general fund base for this section is \$32,671,000 in fiscal year 2028 and \$32,617,000 in fiscal year 2029.

Sec. 9. FORECASTED PROGRAMS; GENERAL ASSISTANCE

\$	<u>84,138,000</u>	\$	<u>86,462,000</u>
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Emergency General Assistance

(a) The amount appropriated for emergency general assistance is up to \$6,729,812 in fiscal year 2026 and up to \$6,729,812 in fiscal year 2027.

(b) Money to counties for emergency general assistance shall be allocated by the commissioner using the allocation method under Minnesota Statutes, section 256D.06, subdivision 2, paragraph (c).

Sec. 10. FORECASTED PROGRAMS; MINNESOTA SUPPLEMENTAL AID GRANTS

\$	<u>67,113,000</u>	\$	<u>69,089,000</u>
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Sec. 11. FORECASTED PROGRAMS; HOUSING SUPPORT

\$	<u>269,258,000</u>	\$	<u>279,703,000</u>
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Sec. 12. FORECASTED PROGRAMS; MINNESOTACARE

\$	<u>72,093,000</u>	\$	<u>126,196,000</u>
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This appropriation is from the health care access fund.

Sec. 13. FORECASTED PROGRAMS; MEDICAL ASSISTANCE**Subdivision 1. Total Appropriation**

\$	<u>2,133,453,000</u>	\$	<u>2,214,905,000</u>
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Appropriations by Fund

<u>General</u>	<u>1,061,288,000</u>	<u>1,280,960,000</u>
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<u>Health Care Access</u>	<u>1,072,165,000</u>	<u>933,945,000</u>
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Subd. 2. Base Level Adjustment

The health care access fund base for this section is \$939,545,000 in fiscal year 2028 and \$939,545,000 in fiscal year 2029.

Sec. 14. GRANT PROGRAMS; CHILD AND COMMUNITY SERVICES GRANTS

\$	<u>5,655,000</u>	\$	<u>5,655,000</u>
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Sec. 15. GRANT PROGRAMS; HEALTH CARE GRANTS

\$	<u>8,176,000</u>	\$	<u>8,176,000</u>
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Appropriations by Fund

<u>General</u>	<u>4,711,000</u>	<u>4,711,000</u>
<u>Health Care Access</u>	<u>3,465,000</u>	<u>3,465,000</u>

Sec. 16. <u>GRANT PROGRAMS; DISABILITIES GRANTS</u>	\$	<u>(2,220,000)</u>	\$	<u>(2,220,000)</u>
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Sec. 17. <u>GRANT PROGRAMS; REFUGEE SERVICES GRANTS</u>	\$	<u>100,000</u>	\$	<u>100,000</u>
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Sec. 18. <u>GRANT PROGRAMS; HOUSING AND SUPPORT SERVICES GRANTS</u>	\$	<u>91,001,000</u>	\$	<u>94,092,000</u>
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Subdivision 1. Family Supportive Housing Grant Program

\$700,000 in fiscal year 2026 is for the family supportive housing grant program. This is a onetime appropriation and is available until June 30, 2027.

Subd. 2. Grant for Catholic Charities Homeless Elders Program

\$959,000 in fiscal year 2026 is for a grant to Catholic Charities of St. Paul and Minneapolis for the homeless elders program that helps homeless, isolated, and low-income older adults to move into stable housing. This is a onetime appropriation and is available until June 30, 2027.

Subd. 3. The Bridge for Youth

\$250,000 in fiscal year 2026 is for a grant to The Bridge for Youth to predesign a new multiuse facility in Hennepin County. The predesign of the new facility must support future shelter and housing infrastructure expansion in Hennepin County for unaccompanied homeless youth and young families experiencing homelessness. This is a onetime appropriation and is available until June 30, 2027.

Subd. 4. Base Level Adjustment

The general fund base for this section is \$96,726,000 in fiscal year 2028 and \$96,726,000 in fiscal year 2029.

Sec. 19. GRANT PROGRAMS; ADULT MENTAL HEALTH GRANTS

<u>\$</u>	<u>111,665,000</u>	<u>\$</u>	<u>110,852,000</u>
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Subdivision 1. Intensive Residential Treatment Services; Hennepin County

\$563,000 in fiscal year 2026 is for a grant to the city of Brooklyn Park as start-up funding for an intensive residential treatment services and residential crisis stabilization services facility. This is a onetime appropriation and is available until June 30, 2027.

Subd. 2. Lower Sioux Community Complex Post-Traumatic Stress Disorder Pilot Project

\$250,000 in fiscal year 2026 is for the Lower Sioux community complex post-traumatic stress disorder pilot project. This is a onetime appropriation and is available until June 30, 2027.

Sec. 20. GRANT PROGRAMS; CHILD MENTAL HEALTH GRANTS

<u>\$</u>	<u>37,719,000</u>	<u>\$</u>	<u>35,760,000</u>
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Subdivision 1. Grant to Mental Health Collaboration Hub Innovation Pilot Program

\$759,000 in fiscal year 2026 is for a grant to the Mental Health Collaboration Hub for the Mental Health Collaboration Hub innovation pilot program. This is a onetime appropriation and is available until June 30, 2027.

Subd. 2. Psychiatric Residential Treatment Start-Up and Capacity-Building Grants

\$200,000 in fiscal year 2026 is for a grant to Clay County under Minnesota Statutes, section 256B.0941, subdivision 5, for a new 18-bed psychiatric residential treatment facility in Clay County. This is a onetime appropriation and is available until June 30, 2029.

Subd. 3. Grant to Clay County for Psychiatric Residential Treatment Facility

\$1,000,000 in fiscal year 2026 is for a grant to Clay County for the purchase of equipment and final redesign and remodeling for the conversion of the West Central Regional Juvenile Center nonsecure unit into

an 18-bed psychiatric residential treatment facility for persons younger than 21 years of age, under Minnesota Statutes, section 256B.0941. This is a onetime appropriation.

Subd. 4. Base Level Adjustment

The general fund base for this section is \$35,589,000 in fiscal year 2028 and \$35,590,000 in fiscal year 2029.

Sec. 21. <u>GRANT PROGRAMS; HIV GRANTS</u>	<u>\$</u>	<u>5,470,000</u>	<u>\$</u>	<u>5,470,000</u>
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Grants to Community-Based HIV/AIDS Support Services Providers. \$3,250,000 in fiscal year 2026 and \$3,250,000 in fiscal year 2027 are for grants to community-based HIV/AIDS support services providers.

Sec. 22. TRANSFERS.

Subdivision 1. **Grants.** The commissioner of human services, with the advance approval of the commissioner of management and budget, may transfer unencumbered appropriation balances for the biennium ending June 30, 2027, within fiscal years among general assistance, medical assistance, MinnesotaCare, the Minnesota supplemental aid program, the housing support program, and the entitlement portion of the behavioral health fund between fiscal years of the biennium. The commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services quarterly about transfers made under this subdivision.

Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative money may be transferred within the Department of Human Services as the commissioner deems necessary, with the advance approval of the commissioner of management and budget. The commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance quarterly about transfers made under this section.

Subd. 3. **Temporary authority for interagency transfers with Department of Children, Youth, and Families.** Beginning July 1, 2025, and until March 31, 2026, administrative money may be transferred between the Department of Human Services and Department of Children, Youth, and Families as the commissioners deem necessary, with the advance approval of the commissioner of management and budget. The commissioners shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over children and families quarterly about transfers made under this section.

Sec. 23. CANCELLATIONS.

Subdivision 1. **Mobile crisis grants.** \$1,750,000 of the fiscal year 2025 general fund appropriation for mobile crisis grants in Laws 2023, chapter 70, article 20, section 2, subdivision 29, as amended by Laws 2024, chapter 125, article 8, section 16, is canceled to the general fund.

Subd. 2. **Child mental health grants.** \$82,000 of the fiscal year 2025 general fund appropriation for child mental health grants in Laws 2023, chapter 70, article 20, section 2, subdivision 30, is canceled to the general fund.

Subd. 3. Emergency medical assistance legal referral costs. \$100,000 of the fiscal year 2025 general fund appropriation for emergency medical assistance legal referral costs in Laws 2023, chapter 70, article 20, section 2, subdivision 26, is canceled to the general fund.

Subd. 4. Grants to navigators. \$800,000 of the fiscal year 2024 health care access fund appropriation for grants to navigators in Laws 2023, chapter 22, section 4, subdivision 2, is canceled to the health care access fund.

Subd. 5. Mille Lacs Band of Ojibwe American Indian child welfare initiative. \$5,294,000 of the fiscal year 2025 general fund appropriation for the Mille Lacs Band of Ojibwe American Indian child welfare initiative in Laws 2023, chapter 70, article 20, section 2, subdivision 22, paragraph (b), is canceled to the general fund.

Subd. 6. Great Start Compensation Program transition grant program. \$293,000 of the fiscal year 2024 general fund appropriation for the Great Start Compensation Program transition grant program in Laws 2023, chapter 70, article 20, section 2, subdivision 20, paragraph (b), is canceled to the general fund.

Subd. 7. Grant to administer pool of qualified individuals for assessments. \$250,000 of the fiscal year 2025 general fund appropriation for a grant to administer a pool of qualified individuals for assessments in Laws 2023, chapter 70, article 20, section 2, subdivision 22, paragraph (k), is canceled to the general fund.

Subd. 8. Adult mental health initiative Tribal courts. \$22,000 of the fiscal year 2025 general fund appropriation for adult mental health initiative Tribal courts in Laws 2023, chapter 70, article 20, section 2, subdivision 29, as amended by Laws 2024, chapter 125, article 8, section 16, is canceled to the general fund.

Subd. 9. Evidence-based practice. \$401,000 of the fiscal year 2025 general fund appropriation for evidence-based practice in Laws 2023, chapter 70, article 20, section 2, subdivision 30, is canceled to the general fund.

Subd. 10. Child intensive service reform. \$276,000 of the fiscal year 2025 general fund appropriation for child intensive service reform in Laws 2023, chapter 70, article 20, section 2, subdivision 30, is canceled to the general fund.

Subd. 11. Psychiatric residential treatment facilities. \$223,000 of the fiscal year 2025 general fund appropriation for psychiatric residential treatment facilities in Laws 2023, chapter 70, article 20, section 2, subdivision 30, is canceled to the general fund.

Subd. 12. Minnesota public option health care plan. \$21,000,000 of the fiscal year 2025 health care access fund appropriation for the Minnesota public option health care plan in Laws 2023, chapter 70, article 20, section 2, subdivision 5, paragraph (e), as amended by Laws 2024, chapter 127, article 67, section 12, is canceled to the health care access fund.

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

Sec. 24. Laws 2023, chapter 70, article 20, section 2, subdivision 30, is amended to read:

		37,934,000
Subd. 30. Grant Programs; Child Mental Health Grants	44,487,000	<u>37,734,000</u>
(a) Psychiatric residential treatment facility start-up grants. \$1,000,000 in fiscal year 2024 and \$1,000,000		

\$800,000 in fiscal year 2025 are for psychiatric residential treatment facility start-up grants under Minnesota Statutes, section 256B.0941, subdivision 5. This is a onetime appropriation and is available until June 30, 2027.

(b) **African American Child Wellness Institute.** \$2,000,000 in fiscal year 2024 is for a grant to the African American Child Wellness Institute to provide culturally specific mental health and substance use disorder services under Minnesota Statutes, section 245.0961. This is a onetime appropriation and is available until June 30, 2027.

(c) **Base level adjustment.** The general fund base is \$34,648,000 in fiscal year 2026 and \$34,648,000 in fiscal year 2027.

Sec. 25. GRANT ADMINISTRATION COSTS.

This article appropriates necessary administrative costs. The administrative costs retention requirement under Minnesota Statutes, section 16B.98, subdivision 14, is inapplicable to any appropriation in this article for a grant.

Sec. 26. APPROPRIATIONS GIVEN EFFECT ONCE.

If an appropriation, cancellation, or transfer in this article is enacted more than once during the 2025 first special session, the appropriation, cancellation, or transfer must be given effect once. This article appropriates necessary administrative costs.

Sec. 27. EXPIRATION OF UNCODIFIED LANGUAGE.

All uncodified language contained in this article expires June 30, 2027, unless a different expiration date is explicit or an appropriation is made available beyond June 30, 2027.

ARTICLE 21

DEPARTMENT OF HEALTH APPROPRIATIONS

Section 1. HEALTH APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the commissioner of health for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

APPROPRIATIONS
Available for the Year

		<u>Ending June 30</u>	
		<u>2026</u>	<u>2027</u>
Sec. 2. <u>COMMISSIONER OF HEALTH</u>	\$	<u>461,800,000</u>	\$ <u>432,813,000</u>

Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>271,737,000</u>	<u>267,250,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>99,499,000</u>	<u>99,031,000</u>
<u>Health Care Access</u>	<u>78,851,000</u>	<u>54,819,000</u>
<u>Federal TANF</u>	<u>11,713,000</u>	<u>11,713,000</u>

The amounts that may be spent for each purpose are specified in this article.

Sec. 3. **HEALTH IMPROVEMENT**

Subdivision 1. <u>Total Appropriation</u>	\$	<u>315,585,000</u>	\$ <u>285,063,000</u>
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Appropriations by Fund

<u>General</u>	<u>217,174,000</u>	<u>212,130,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>9,258,000</u>	<u>9,258,000</u>
<u>Health Care Access</u>	<u>77,440,000</u>	<u>51,962,000</u>
<u>Federal TANF</u>	<u>11,713,000</u>	<u>11,713,000</u>

Subd. 2. **Substance Use Treatment, Recovery, and Prevention Grants**

\$3,000,000 in fiscal year 2026 and \$3,000,000 in fiscal year 2027 are from the general fund for substance use treatment, recovery, and prevention grants under Minnesota Statutes, section 342.72.

Subd. 3. **Local and Tribal Public Health Cannabis Grants**

\$7,756,000 in fiscal year 2026 and \$7,756,000 in fiscal year 2027 are from the general fund for grants under Minnesota Statutes, section 144.197, subdivision 4.

Subd. 4. Cannabis and Substance Misuse Prevention and Education Programs; Youth Prevention and Education Program

\$4,534,000 in fiscal year 2026 and \$4,470,000 in fiscal year 2027 are from the general fund for the youth prevention and education program under the cannabis and substance misuse prevention and education programs under Minnesota Statutes, section 144.197, subdivision 1.

Subd. 5. Cannabis and Substance Misuse Prevention and Education Programs; Prevention and Education Program for Pregnant and Breastfeeding Individuals and Individuals Who May Become Pregnant

\$1,834,000 in fiscal year 2026 and \$1,834,000 in fiscal year 2027 are from the general fund for the prevention and education program for pregnant and breastfeeding individuals and individuals who may become pregnant under the cannabis and substance misuse prevention and education programs under Minnesota Statutes, section 144.197, subdivision 2. The base for this subdivision is \$721,000 in fiscal year 2028 and \$721,000 in fiscal year 2029.

Subd. 6. Public Health Infrastructure Funds

\$4,000,000 in fiscal year 2026 and \$4,000,000 in fiscal year 2027 are from the general fund to distribute to community health boards and Tribal governments to support their ability to meet national public health standards.

Subd. 7. Sexual and Reproductive Health Services Grant Program

\$11,050,000 in fiscal year 2026 and \$11,050,000 in fiscal year 2027 are from the general fund for the sexual and reproductive health services grant program under Minnesota Statutes, section 145.925. The base for this subdivision is \$11,475,000 in fiscal year 2028 and \$11,475,000 in fiscal year 2029.

Subd. 8. Development of Nonopioid Directive Form

\$10,000 in fiscal year 2026 is from the general fund for the development of a nonopioid directive form

under Minnesota Statutes, section 145C.18, subdivision 5.

Subd. 9. Dementia Services Program

\$217,000 in fiscal year 2026 and \$217,000 in fiscal year 2027 are from the general fund for the dementia services program under Minnesota Statutes, section 144.063.

Subd. 10. Opiate Antagonists at Tribal Colleges

\$75,000 in fiscal year 2026 and \$75,000 in fiscal year 2027 are from the general fund to make opiate antagonists available at Tribal colleges under Minnesota Statutes, section 135A.1368.

Subd. 11. Materials on Recognizing Signs of Physical Abuse in Infants

\$55,000 in fiscal year 2026 is from the general fund for the development of materials on recognizing the signs of physical abuse in infants under Minnesota Statutes, section 144.124, subdivision 2.

Subd. 12. Opioid Use Prevention and Education

\$1,000,000 in fiscal year 2026 is from the general fund for a grant to Change the Outcome to provide:

(1) data-centered learning opportunities on the dangers of opioid use in middle and high schools and communities in Minnesota;

(2) instruction on prevention strategies, assessing personal risk, and how to recognize an overdose;

(3) information on emerging drug trends including but not limited to fentanyl, xylazine, and pressed pills; and

(4) access to resources, including support for those struggling with substance use disorders.

Subd. 13. Guidelines for Social Media Mental Health Warning Labels

\$45,000 in fiscal year 2026 is from the general fund to develop and review guidelines for social media mental health warning labels under Minnesota Statutes, section 325M.335, subdivision 2.

Subd. 14. Cannabis Data Collection and Biennial Reports

\$493,000 in fiscal year 2026 and \$493,000 in fiscal year 2027 are from the general fund for cannabis data collection and biennial reports under Minnesota Statutes, section 144.196.

Subd. 15. Administration of Expungement Orders

\$71,000 in fiscal year 2026 and \$71,000 in fiscal year 2027 are from the general fund for the administration of expungement orders under Laws 2023, chapter 63, article 9, section 10, subdivision 6.

Subd. 16. Grant for "Treat Yourself First" Campaign

\$237,000 in fiscal year 2026 is from the general fund for a grant to the Minnesota Medical Association for the "Treat Yourself First" campaign. The campaign must be an awareness and education campaign focused on burnout and well-being of health care workers designed to:

(1) reduce the stigma of receiving mental health services;

(2) encourage health care workers who are experiencing workplace-related fatigue to receive the care they need; and

(3) normalize the process for seeking help.

The campaign must be targeted to health care professionals, including but not limited to physicians, nurses, dentists, pharmacists, and other members of the health care team. The campaign must include resources for health care professionals seeking help to address burnout and well-being. This is a onetime appropriation and is available until June 30, 2029.

Subd. 17. Emergency Preparedness and Response Grant Program

The general fund appropriations in this section include reductions of \$427,000 in fiscal year 2026 and \$423,000 in fiscal year 2027 for the emergency preparedness and response grant program under Minnesota Statutes, section 145A.135.

Subd. 18. Federally Qualified Health Centers; Additional Funding

\$22,986,000 in fiscal year 2026 and \$1,000,000 in fiscal year 2027 are from the health care access fund, and \$1,631,000 in fiscal year 2026 is from the general fund, for distribution to federally qualified health centers under Minnesota Statutes, section 145.9269. The health care access fund appropriations are available until June 30, 2029, and the general fund appropriation is available until June 30, 2027. The health care access fund base for this subdivision is \$6,250,000 in fiscal year 2028 and \$6,250,000 in fiscal year 2029.

Subd. 19. Community Clinic Grants

(a) \$1,100,000 in fiscal year 2026 is from the health care access fund for the community clinic grant program under Minnesota Statutes, section 145.9268. Funds appropriated under this paragraph must be awarded based on the degree to which grant funds will be used to support services increasing or maintaining access to health services for the uninsured or underinsured. The commissioner may use \$110,000 of this appropriation for administration. This appropriation is available until June 30, 2027.

(b) The health care access fund base for this subdivision is \$550,000 in fiscal year 2028 and \$550,000 in fiscal year 2029 and includes \$55,000 each fiscal year for administration.

Subd. 20. TANF Appropriations

TANF funds must be used as follows:

(1) \$3,579,000 in fiscal year 2026 and \$3,579,000 in fiscal year 2027 are from the TANF fund for home visiting and nutritional services listed under Minnesota Statutes, section 145.882, subdivision 7, clauses (6) and (7). Funds must be distributed to community health boards according to Minnesota Statutes, section 145A.131, subdivision 1;

(2) \$2,000,000 in fiscal year 2026 and \$2,000,000 in fiscal year 2027 are from the TANF fund for decreasing racial and ethnic disparities in infant

mortality rates under Minnesota Statutes, section 145.928, subdivision 7;

(3) \$4,978,000 in fiscal year 2026 and \$4,978,000 in fiscal year 2027 are from the TANF fund for the family home visiting grant program under Minnesota Statutes, section 145A.17. Of these amounts, \$4,000,000 in fiscal year 2026 and \$4,000,000 in fiscal year 2027 must be distributed to community health boards under Minnesota Statutes, section 145A.131, subdivision 1; and \$978,000 in fiscal year 2026 and \$978,000 in fiscal year 2027 must be distributed to Tribal governments under Minnesota Statutes, section 145A.14, subdivision 2a;

(4) \$1,156,000 in fiscal year 2026 and \$1,156,000 in fiscal year 2027 are from the TANF fund for sexual and reproductive health services grants under Minnesota Statutes, section 145.925; and

(5) the commissioner may use up to 6.23 percent of the funds appropriated from the TANF fund each fiscal year to conduct the ongoing evaluations required under Minnesota Statutes, section 145A.17, subdivision 7, and training and technical assistance required under Minnesota Statutes, section 145A.17, subdivisions 4 and 5.

Subd. 21. TANF Carryforward

Any unexpended balance of the TANF appropriation in the first year does not cancel but is available in the second year.

Subd. 22. Base Level Adjustment

The general fund base for this section is \$212,628,000 in fiscal year 2028 and \$212,628,000 in fiscal year 2029. The health care access fund base for this section is \$57,762,000 in fiscal year 2028 and \$57,762,000 in fiscal year 2029.

Sec. 4. HEALTH PROTECTION

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>124,439,000</u>	<u>\$</u>	<u>123,501,000</u>
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Appropriations by Fund

<u>General</u>	<u>34,198,000</u>	<u>33,728,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>90,241,000</u>	<u>89,773,000</u>

Subd. 2. Speech Language Pathology Assistants Fee Adjustment

\$95,000 in fiscal year 2026 is from the general fund for onetime costs incurred in fiscal year 2025 to implement Minnesota Statutes, sections 148.511 to 148.5198.

Subd. 3. Infectious Disease Prevention, Early Detection, and Outbreak Response

\$1,300,000 in fiscal year 2026 and \$1,300,000 in fiscal year 2027 are from the general fund for infectious disease prevention, early detection, and outbreak response activities under Minnesota Statutes, section 144.05, subdivision 1.

Subd. 4. Collaborative Funding for State and Outside Partners

The general fund appropriations in this section include reductions of \$30,000 in fiscal year 2026 and \$30,000 in fiscal year 2027 for collaborative funding for state and outside partners funded under Laws 2023, chapter 70.

Subd. 5. Asbestos Abatement

\$176,000 in fiscal year 2026 and \$176,000 in fiscal year 2027 are from the state government special revenue fund for asbestos abatement under Minnesota Statutes, section 326.75.

Subd. 6. Food, Pools, and Lodging Services

\$5,483,000 in fiscal year 2026 and \$5,483,000 in fiscal year 2027 are from the state government special revenue fund for food, pools, and lodging services program activities under Minnesota Statutes, chapters 144, 157, and 327.

Subd. 7. Public Water Supply

\$7,827,000 in fiscal year 2026 and \$7,827,000 in fiscal year 2027 are from the state government special revenue fund to administer the drinking water protection program, including implementing the Safe Drinking Water Act and providing services to regulated parties, partners, and the public under Minnesota Statutes, sections 144.381 to 144.383. The base for this subdivision is \$8,148,000 in fiscal year 2028 and \$8,148,000 in fiscal year 2029.

Subd. 8. Radioactive Materials

\$200,000 in fiscal year 2026 and \$200,000 in fiscal year 2027 are from the state government special revenue fund for radioactive materials program activities under Minnesota Statutes, section 144.1205.

Subd. 9. Ionizing Radiation

\$993,000 in fiscal year 2026 and \$828,000 in fiscal year 2027 are from the state government special revenue fund to administer new regulatory activities for x-ray service providers, ongoing inspections of licensed facilities, and data analysis for program planning and implementation under Minnesota Statutes, section 144.121.

Subd. 10. Engineering Plan Reviews

\$224,000 in fiscal year 2026 and \$224,000 in fiscal year 2027 are from the state government special revenue fund to conduct engineering plan reviews under Minnesota Statutes, section 144.554.

Subd. 11. Health Care Licensing, Certification, and Registration

\$1,707,000 in fiscal year 2026 and \$1,707,000 in fiscal year 2027 are from the state government special revenue fund for administering licensing, certification, and registration fees under Minnesota Statutes, chapter 144A, and Minnesota Statutes, sections 144.122, 144.55, and 144.615.

Subd. 12. Assisted Living Facility Licensure

\$1,555,000 in fiscal year 2026 and \$1,555,000 in fiscal year 2027 are from the state government special revenue fund for administering assisted living facility licensure under Minnesota Statutes, chapter 144G.

Subd. 13. Spoken Language Health Care Interpreter Workgroup

\$186,000 in fiscal year 2026 and \$49,000 in fiscal year 2027 are from the state government special revenue fund for the spoken language health care interpreter work group. This is a onetime appropriation and is available until June 30, 2029.

Subd. 14. Base Level Adjustments

The general fund base for this section is \$33,683,000 in fiscal year 2028 and \$33,683,000 in fiscal year 2029. The state government special revenue fund base for this section is \$90,056,000 in fiscal year 2028 and \$90,068,000 in fiscal year 2029.

Sec. 5. <u>HEALTH OPERATIONS</u>	<u>\$</u>	<u>21,776,000</u>	<u>\$</u>	<u>24,249,000</u>
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Appropriations by Fund

<u>General</u>	<u>20,365,000</u>	<u>21,392,000</u>
<u>Health Care Access</u>	<u>1,411,000</u>	<u>2,857,000</u>

Sec. 6. TRANSFERS.

Positions, salary money, and nonsalary administrative money may be transferred within the Department of Health as the commissioner deems necessary with the advance approval of the commissioner of management and budget. The commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health finance quarterly about transfers made under this section.

Sec. 7. INDIRECT COSTS NOT TO FUND PROGRAMS.

The commissioner of health shall not use indirect cost allocations to pay for the operational costs of any program for which the commissioner is responsible.

Sec. 8. GRANT ADMINISTRATION COSTS.

This article appropriates necessary administrative costs. The administrative costs retention requirement under Minnesota Statutes, section 16B.98, subdivision 14, is inapplicable to any appropriation in this article for a grant.

Sec. 9. APPROPRIATIONS GIVEN EFFECT ONCE.

If an appropriation, cancellation, or transfer in this article is enacted more than once during the 2025 first special session, the appropriation, cancellation, or transfer must be given effect once.

Sec. 10. EXPIRATION OF UNCODIFIED LANGUAGE.

All uncodified language contained in this article expires on June 30, 2027, unless a different expiration date is explicit or an appropriation is made available after June 30, 2027.

Sec. 11. EFFECTIVE DATE.

This article is effective July 1, 2025, only if 2025 First Special Session H.F. No. 1 is finally enacted.

ARTICLE 22**DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES APPROPRIATIONS****Section 1. CHILDREN, YOUTH, AND FAMILIES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the commissioner of children, youth, and families for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2026</u>	<u>2027</u>
<u>Sec. 2. COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES</u>	<u>\$</u>	<u>1,380,107,000</u>	<u>\$ 1,408,374,000</u>
<u>Appropriations by Fund</u>			
	<u>2026</u>	<u>2027</u>	
<u>General</u>	<u>1,078,643,000</u>	<u>1,086,200,000</u>	
<u>State Government</u>			
<u>Special Revenue</u>	<u>732,000</u>	<u>732,000</u>	
<u>Federal TANF</u>	<u>300,396,000</u>	<u>321,106,000</u>	
<u>Family and Medical</u>			
<u>Benefit Insurance</u>	<u>336,000</u>	<u>336,000</u>	

The amounts that may be spent for each purpose are specified in the following sections.

Sec. 3. TANF MAINTENANCE OF EFFORT**Subdivision 1. Nonfederal Expenditures**

The commissioner shall ensure that sufficient qualified nonfederal expenditures are made each year to meet the state's maintenance of effort requirements of the TANF block grant specified under Code of Federal Regulations, title 45, section 263.1. In order to meet these basic TANF maintenance of effort requirements, the commissioner may report as TANF maintenance of effort expenditures only nonfederal money expended for allowable activities listed in the following clauses:

(1) MFIP cash, diversionary work program, and food assistance benefits under Minnesota Statutes, chapter 142G;

(2) the child care assistance programs under Minnesota Statutes, sections 142E.04 and 142E.08, and county child care administrative costs under Minnesota Statutes, section 142E.02, subdivision 9;

(3) state and county MFIP administrative costs under Minnesota Statutes, chapters 142G and 256K;

(4) state, county, and Tribal MFIP employment services under Minnesota Statutes, chapters 142G and 256K;

(5) expenditures made on behalf of legal noncitizen MFIP recipients who qualify for the MinnesotaCare program under Minnesota Statutes, chapter 256L;

(6) qualifying working family credit expenditures under Minnesota Statutes, section 290.0671, and child tax credit expenditures under Minnesota Statutes, section 290.0661;

(7) qualifying Minnesota education credit expenditures under Minnesota Statutes, section 290.0674; and

(8) qualifying Head Start expenditures under Minnesota Statutes, section 142D.12.

Subd. 2. Nonfederal Expenditures; Reporting

For the activities listed in subdivision 1, clauses (2) to (8), the commissioner may report only expenditures that are excluded from the definition of assistance

under Code of Federal Regulations, title 45, section 260.31.

Subd. 3. Supplemental Expenditures

For the purposes of this section, the commissioner may supplement the maintenance of effort claim with working family credit expenditures or other qualified expenditures to the extent such expenditures are otherwise available after considering the expenditures allowed in this section.

Subd. 4. Reduction of Appropriations; Exception

The requirement in Minnesota Statutes, section 142A.06, subdivision 3, that federal grants or aids secured or obtained under that subdivision be used to reduce any direct appropriations provided by law does not apply if the grants or aids are federal TANF funds.

Subd. 5. IT Appropriations Generally

This appropriation includes funds for information technology projects, services, and support. Funding for information technology project costs must be incorporated into the service level agreement and paid to Minnesota IT Services by the Department of Children, Youth, and Families under the rates and mechanism specified in that agreement.

Subd. 6. Receipts for Systems Project

Appropriations and federal receipts for information technology systems projects for MAXIS, PRISM, MMIS, ISDS, METS, and SSIS must be deposited in the state systems account authorized in Minnesota Statutes, section 142A.04. Money appropriated for information technology projects approved by the commissioner of Minnesota IT Services funded by the legislature, and approved by the commissioner of management and budget may be transferred from one project to another and from development to operations as the commissioner of children, youth, and families considers necessary. Any unexpended balance in the appropriation for these projects does not cancel and is available for ongoing development and operations.

Subd. 7. Federal SNAP Education and Training Grants

Federal funds available during fiscal years 2026 and 2027 for Supplemental Nutrition Assistance Program Education and Training and SNAP Quality Control Performance Bonus grants are appropriated to the commissioner of children, youth, and families for the purposes allowable under the terms of the federal award. This subdivision is effective the day following final enactment.

**Sec. 4. OPERATIONS AND ADMINISTRATION;
AGENCY-WIDE SUPPORTS**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>134,544,000</u>	<u>\$</u>	<u>102,268,000</u>
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Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>133,376,000</u>	<u>101,100,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>732,000</u>	<u>732,000</u>
<u>Federal TANF</u>	<u>100,000</u>	<u>100,000</u>
<u>Family and Medical</u>		
<u>Benefit Insurance</u>	<u>336,000</u>	<u>336,000</u>

**Subd. 2. Children and Families Informational
Technology Systems Modernization**

\$35,000,000 in fiscal year 2026 is from the general fund for children and families information technology systems modernization. This is a onetime appropriation.

Subd. 3. Family and Medical Benefit Insurance

\$336,000 in fiscal year 2026 and \$336,000 in fiscal year 2027 are from the family and medical benefit insurance fund for systems costs to administer Minnesota Statutes, chapter 268B.

<u>Sec. 5. OPERATIONS AND ADMINISTRATION; CHILD SAFETY AND PERMANENCY</u>	<u>\$</u>	<u>17,232,000</u>	<u>\$</u>	<u>16,945,000</u>
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**Sec. 6. OPERATIONS AND ADMINISTRATION;
EARLY CHILDHOOD**

\$	<u>17,212,000</u>	\$	<u>13,336,000</u>
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**Subdivision 1. Child Care Attendance and
Record-Keeping System**

\$5,555,000 in fiscal year 2026 and \$1,639,000 in fiscal year 2027 are to develop a statewide electronic attendance and record-keeping system for the child care assistance program. The system must provide the commissioner, county agencies, and Tribal Nations that administer the program with real-time access to electronic attendance records to verify children's enrollment in the program. This is a onetime appropriation.

Subd. 2. Base Level Adjustment

The general fund base for this section is \$11,698,000 in fiscal year 2028 and \$11,698,000 in fiscal year 2029.

**Sec. 7. OPERATIONS AND ADMINISTRATION;
ECONOMIC OPPORTUNITY AND YOUTH
SERVICES**

\$	<u>4,254,000</u>	\$	<u>3,562,000</u>
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\$402,000 in fiscal year 2026 is to conduct the scan of and prepare the out-of-school and youth programming report. This is a onetime appropriation.

**Sec. 8. OPERATIONS AND ADMINISTRATION;
FAMILY WELL-BEING**

\$	<u>14,147,000</u>	\$	<u>14,147,000</u>
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Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>10,471,000</u>	<u>10,471,000</u>
<u>Federal TANF</u>	<u>3,676,000</u>	<u>3,676,000</u>

Sec. 9. FORECASTED PROGRAMS; MFIP/DWP

\$	<u>230,473,000</u>	\$	<u>268,167,000</u>
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Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>103,272,000</u>	<u>120,504,000</u>
<u>Federal TANF</u>	<u>127,201,000</u>	<u>147,663,000</u>

Sec. 10. FORECASTED PROGRAMS; MFIP CHILD CARE ASSISTANCE

\$	<u>100,244,000</u>	\$	<u>137,333,000</u>
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Sec. 11. FORECASTED PROGRAMS; NORTHSTAR CARE FOR CHILDREN

\$	<u>110,214,000</u>	\$	<u>116,160,000</u>
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Sec. 12. GRANT PROGRAMS; SUPPORT SERVICES GRANTS**Subdivision 1. Total Appropriation**

\$	<u>111,359,000</u>	\$	<u>111,359,000</u>
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Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>13,433,000</u>	<u>13,185,000</u>
<u>Federal TANF</u>	<u>97,926,000</u>	<u>98,174,000</u>

Subd. 2. Base Level Adjustment

(a) The general fund base for this section is \$14,908,000 in fiscal year 2028 and \$14,908,000 in fiscal year 2029.

(b) The federal TANF base for this section is \$96,451,000 in fiscal year 2028 and \$96,451,000 in fiscal year 2029.

Sec. 13. GRANT PROGRAMS; BASIC SLIDING FEE CHILD ASSISTANCE CARE GRANTS

\$	<u>133,959,000</u>	\$	<u>131,101,000</u>
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The general fund base for this section is \$131,118,000 in fiscal year 2028 and \$133,720,000 in fiscal year 2029.

Sec. 14. GRANT PROGRAMS; CHILD CARE DEVELOPMENT GRANTS

\$	<u>139,293,000</u>	\$	<u>138,819,000</u>
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Subdivision 1. Child Care Provider Technology Grants

\$174,000 in fiscal year 2026 is from the general fund for child care provider access to technology grants under Minnesota Statutes, section 142D.23, subdivision 3, clause (5). This appropriation is available until fiscal year 2029.

Subd. 2. Child Care Improvement Grants

\$300,000 in fiscal year 2026 is for child care improvement grants under Minnesota Statutes, section 142D.20, subdivision 3, paragraph (a), clause (7).

Subd. 3. Great Start Compensation Support Payments

\$129,887,000 in fiscal year 2026 and \$129,887,000 in fiscal year 2027 are for the Great Start Compensation Support Payments under Minnesota Statutes, section 142D.21.

Sec. 15. GRANT PROGRAMS; CHILD SUPPORT ENFORCEMENT GRANTS

\$	<u>50,000</u>	\$	<u>50,000</u>
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Sec. 16. GRANT PROGRAMS; CHILDREN'S SERVICES GRANTS

\$	<u>43,204,000</u>	\$	<u>43,205,000</u>
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Fostering Connections to Success and Increasing Adoptions Act. The commissioner shall allocate funds from the state's savings from the Fostering Connections to Success and Increasing Adoptions Act's expanded eligibility for Title IV-E adoption assistance as required in Minnesota Statutes, section 142A.61, and as allowable under federal law. Additional savings to the state as a result of the Fostering Connections to Success and Increasing Adoptions Act's expanded eligibility for Title IV-E adoption assistance is for postadoption, foster care, adoption, and kinship services, including a parent-to-parent support network and as allowable under federal law.

Sec. 17. GRANT PROGRAMS; CHILD AND COMMUNITY SERVICE GRANTS

\$	<u>87,984,000</u>	\$	<u>87,984,000</u>
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Sec. 18. GRANT PROGRAMS; CHILD AND ECONOMIC SUPPORT GRANTS

\$	<u>24,216,000</u>	\$	<u>12,216,000</u>
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Subdivision 1. Regional Food Bank Grants

\$5,000,000 in fiscal year 2026 is for regional food bank grants. This is a onetime appropriation and is available until June 30, 2027.

Subd. 2. American Indian Food Sovereignty Funding Program

\$1,000,000 in fiscal year 2026 is for the American Indian food sovereignty funding program under Minnesota Statutes, section 142F.15. This is a onetime appropriation and is available until June 30, 2027.

Subd. 3. Minnesota Food Shelf Programs

\$5,000,000 in fiscal year 2026 is for food shelf programs grants under Minnesota Statutes, section 142F.14. This is a onetime appropriation and is available until June 30, 2027.

Subd. 4. Prepared Meals Food Relief Grants

\$1,000,000 in fiscal year 2026 is for prepared meals food relief grants. This is a onetime appropriation and is available until June 30, 2027.

Sec. 19. GRANT PROGRAMS; EARLY LEARNING GRANTS**\$****132,838,000****\$ 132,838,000****Subdivision 1. Early Childhood Literacy Programs**

The base funding for early childhood literacy programs under Minnesota Statutes, section 142D.12, subdivision 3, is reduced by \$7,950,000 in fiscal year 2026 and \$7,950,000 in fiscal year 2027.

Subd. 2. Grants for Early Learning Scholarships

\$97,290,000 in fiscal year 2026 and \$97,290,000 in fiscal year 2027 are from the general fund for early learning scholarships grants under Minnesota Statutes, section 142D.25.

Subd. 3. Head Start Program Grants

\$34,398,000 in fiscal year 2026 and \$34,398,000 in fiscal year 2027 are from the general fund for head start program grants under Minnesota Statutes, section 142D.12.

Subd. 4. ParentChild+ Grants

\$900,000 in fiscal year 2026 and \$900,000 in fiscal year 2027 are from the general fund for a grant to ParentChild+ for a literacy and school readiness program for children ages 16 months to four years. The program must be implemented at existing ParentChild+ program locations.

Subd. 5. Reach Out and Read Minnesota Grant

\$250,000 in fiscal year 2026 and \$250,000 in fiscal year 2027 are for a grant to Reach Out and Read Minnesota to establish a statewide plan that encourages early childhood development through a network of health care clinics under Laws 2023, chapter 54, section 20, subdivision 20.

Sec. 20. GRANT PROGRAMS; YOUTH SERVICES GRANTS

<u>\$</u>	<u>7,391,000</u>	<u>\$</u>	<u>7,391,000</u>
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Subdivision 1. Grants-in-Aid to Youth Intervention Programs

\$6,036,000 in fiscal year 2026 and \$6,036,000 in fiscal year 2027 are for grants to youth intervention programs under Minnesota Statutes, section 142A.43, subdivision 1.

Subd. 2. Youth Intervention Programs Association Grant

Notwithstanding the percentage requirement under Minnesota Statutes, section 142A.43, subdivision 3, \$355,000 in fiscal year 2026 and \$355,000 in fiscal year 2027 are for a grant to the Minnesota Youth Intervention Programs Association for collaboration, program development, professional development training, technical assistance, tracking, and analyzing and reporting outcome data for the community-based grantees of the program.

Subd. 3. Restorative Practices Initiatives Grants

The base funding for restorative practices initiatives grants under Minnesota Statutes, section 142A.76, subdivision 5, is \$1,000,000 in fiscal year 2026 and \$1,000,000 in fiscal year 2027.

Sec. 21. <u>TECHNICAL ACTIVITIES</u>	<u>\$</u>	<u>71,493,000</u>	<u>\$</u>	<u>71,493,000</u>
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This appropriation is from the federal TANF fund.

Sec. 22. CANCELLATIONS.

Subdivision 1. **Establishing the Department of Children, Youth, and Families.** \$8,500,000 of the fiscal year 2024 general fund appropriation in Laws 2023, chapter 70, article 20, section 12, paragraph (b), is canceled to the general fund.

Subd. 2. **Social service information system technology improvements.** \$10,406,000 of the fiscal year 2024 general fund appropriation in Laws 2023, chapter 70, article 20, section 2, subdivision 4, paragraph (g), is canceled to the general fund.

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

Sec. 23. TRANSFERS.

Subdivision 1. **Programs and grants.** The commissioner of children, youth, and families, with the advance approval of the commissioner of management and budget, may transfer unencumbered appropriation balances for the biennium ending June 30, 2027, within fiscal years among MFIP; MFIP child care assistance under Minnesota Statutes, section 142E.08; the entitlement portion of Northstar Care for Children under Minnesota Statutes, sections 142A.60 to 142A.612; and early childhood family education under Minnesota Statutes, section 142D.11, between fiscal years of the biennium. The commissioner shall inform the chairs and ranking minority members of the legislative committees with jurisdiction over children and families finance and policy quarterly about transfers made under this subdivision.

Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative money may be transferred within the Department of Children, Youth, and Families as the commissioner deems necessary, with the advance approval of the commissioner of management and budget. The commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over children and families finance quarterly about transfers made under this subdivision.

Subd. 3. **Temporary authority for interagency transfers with Department of Human Services.** Beginning July 1, 2025, and until March 31, 2026, administrative money may be transferred between the Department of Children, Youth, and Families and the Department of Human Services or the Department of Education as the commissioners deem necessary, with the advance approval of the commissioner of management and budget. The commissioners shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over children and families finance and policy quarterly about transfers made under this subdivision.

Sec. 24. GRANT ADMINISTRATION COSTS.

This article appropriates necessary administrative costs. The administrative costs retention requirement under Minnesota Statutes, section 16B.98, subdivision 14, is inapplicable to any appropriation in this article for a grant.

Sec. 25. EXPIRATION OF UNCODIFIED LANGUAGE.

All uncodified language contained in this article expires on June 30, 2027, unless a different expiration date is explicit or an appropriation is made available beyond June 30, 2027.

Sec. 26. APPROPRIATIONS GIVEN EFFECT ONCE.

If an appropriation, transfer, or cancellation in this article is enacted more than once during the 2025 first special session, the appropriation, transfer, or cancellation must be given effect once.

ARTICLE 23**OTHER AGENCY HEALTH APPROPRIATIONS****Section 1. OTHER AGENCY APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

APPROPRIATIONS**Available for the Year****Ending June 30****2026****2027****Sec. 2. HEALTH-RELATED BOARDS**

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>34,924,000</u>	<u>\$</u>	<u>34,805,000</u>
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Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>937,000</u>	<u>937,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>33,987,000</u>	<u>33,868,000</u>

These amounts are appropriated from the state government special revenue fund, unless specified

otherwise, for the purposes specified in the following subdivisions.

Subd. 2. <u>Board of Behavioral Health and Therapy</u>	<u>1,289,000</u>	<u>1,289,000</u>
Subd. 3. <u>Board of Chiropractic Examiners</u>	<u>890,000</u>	<u>890,000</u>
Subd. 4. <u>Board of Dentistry</u>	<u>4,308,000</u>	<u>4,310,000</u>

(a) Administrative services unit; operating costs.
Of this appropriation, \$1,936,000 in fiscal year 2026 and \$1,936,000 in fiscal year 2027 are for operating costs of the administrative services unit. The administrative services unit may receive and expend reimbursements for services it performs for other agencies.

(b) Administrative services unit; volunteer health care provider program.
Of this appropriation, \$150,000 in fiscal year 2026 and \$150,000 in fiscal year 2027 are to pay for medical professional liability coverage required under Minnesota Statutes, section 214.40.

(c) Administrative services unit; retirement costs.
Of this appropriation, \$237,000 in fiscal year 2026 and \$237,000 in fiscal year 2027 are for the administrative services unit to pay for the retirement costs of health-related board employees. This funding may be transferred to the health board incurring retirement costs. Any board that has an unexpended balance for an amount transferred under this paragraph shall transfer the unexpended amount to the administrative services unit. If the amount appropriated in the first year of the biennium is not sufficient, the amount from the second year of the biennium is available.

(d) Administrative services unit; contested cases and other legal proceedings.
Of this appropriation, \$200,000 in fiscal year 2026 and \$200,000 in fiscal year 2027 are for costs of contested case hearings and other unanticipated costs of legal proceedings involving health-related boards under this section. Upon certification by a health-related board to the administrative services unit that unanticipated costs for legal proceedings will be incurred and that available appropriations are insufficient to pay for the unanticipated costs for that board, the administrative services unit is authorized to transfer money from this

appropriation to the board for payment of costs for contested case hearings and other unanticipated costs of legal proceedings with the approval of the commissioner of management and budget. The commissioner of management and budget must require any board that has an unexpended balance or an amount transferred under this paragraph to transfer the unexpended amount to the administrative services unit to be deposited in the state government special revenue fund.

Subd. 5. <u>Board of Dietetics and Nutrition Practice</u>	<u>277,000</u>	<u>277,000</u>
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Subd. 6. <u>Board of Executives for Long-term Services and Supports</u>	<u>736,000</u>	<u>736,000</u>
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Subd. 7. <u>Board of Marriage and Family Therapy</u>	<u>457,000</u>	<u>457,000</u>
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Subd. 8. <u>Board of Medical Practice</u>	<u>6,196,000</u>	<u>6,141,000</u>
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Base Level Adjustment. The state government special revenue fund base for this subdivision is \$6,121,000 in fiscal year 2028 and \$6,121,000 in fiscal year 2029.

Subd. 9. <u>Board of Nursing</u>	<u>6,275,000</u>	<u>6,275,000</u>
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Subd. 10. <u>Board of Occupational Therapy Practice</u>	<u>560,000</u>	<u>560,000</u>
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Subd. 11. <u>Board of Optometry</u>	<u>280,000</u>	<u>280,000</u>
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Subd. 12. <u>Board of Pharmacy</u>		
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Appropriations by Fund

<u>General</u>	<u>937,000</u>	<u>937,000</u>
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<u>State Government</u>		
<u>Special Revenue</u>	<u>6,280,000</u>	<u>6,280,000</u>

Medication Repository Program. \$450,000 in fiscal year 2026 and \$450,000 in fiscal year 2027 are from the general fund for the medication repository program to purchase prescription drugs under Minnesota Statutes, section 151.555, subdivision 6, paragraph (g).

Subd. 13. <u>Board of Physical Therapy</u>	<u>789,000</u>	<u>789,000</u>
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Subd. 14. <u>Board of Podiatric Medicine</u>	<u>257,000</u>	<u>257,000</u>
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Subd. 15. <u>Board of Psychology</u>	<u>2,781,000</u>	<u>2,781,000</u>
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Health Professionals Services Program. \$1,324,000
in fiscal year 2026 and \$1,324,000 in fiscal year 2027
are for the health professionals services program.

Subd. 16. <u>Board of Social Work</u>	<u>2,068,000</u>	<u>2,002,000</u>
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Subd. 17. <u>Board of Veterinary Medicine</u>	<u>544,000</u>	<u>544,000</u>
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Sec. 3. <u>OFFICE OF EMERGENCY MEDICAL SERVICES</u>	<u>\$</u>	<u>30,122,000</u>	<u>\$</u>	<u>9,739,000</u>
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Subdivision 1. **Ambulance Operating Deficit Grant Program**

\$16,418,000 in fiscal year 2026 is for the ambulance operating deficit grant program. This appropriation is available until June 30, 2027.

Subd. 2. **Rural EMS Uncompensated Care Pool Payment Program**

\$4,291,000 in fiscal year 2026 and \$4,291,000 in fiscal year 2027 are for the rural EMS uncompensated care pool payment program under Minnesota Statutes, section 144E.55. These appropriations are available until June 30, 2029. The general fund base for this appropriation is \$1,070,000 in fiscal year 2028, \$1,070,000 in fiscal year 2029, \$3,791,000 in fiscal year 2030, and \$3,791,000 in fiscal year 2031. The health care access fund base for this appropriation is \$2,721,000 in fiscal year 2028, \$2,721,000 in fiscal year 2029, and \$0 in fiscal year 2030. Notwithstanding section 8, Minnesota Statutes, section 16B.98, subdivision 14, applies to this subdivision.

Subd. 3. **Ambulance Service Training and Staffing Grant Program**

\$2,000,000 in fiscal year 2026 is for the ambulance service training and staffing grant program. This appropriation is available until June 30, 2029.

Subd. 4. EMR/EMT Education Reimbursement

\$400,000 in fiscal year 2026 is for EMR/EMT education reimbursements under Minnesota Statutes, section 144E.35. This appropriation is available until June 30, 2029.

Subd. 5. Base Level Adjustments

The general fund base for this section is \$6,518,000 in fiscal year 2028 and \$6,518,000 in fiscal year 2029. The health care access fund base for this section is \$2,721,000 in fiscal year 2028 and \$2,721,000 in fiscal year 2029.

Sec. 4. <u>RARE DISEASE ADVISORY COUNCIL</u>	<u>\$</u>	<u>674,000</u>	<u>\$</u>	<u>679,000</u>
Sec. 5. <u>BOARD OF DIRECTORS OF MNSURE</u>	<u>\$</u>	<u>70,000</u>	<u>\$</u>	<u>70,000</u>

Sec. 6. Laws 2024, chapter 127, article 67, section 4, is amended to read:

Sec. 4. BOARD OF PHARMACY

Appropriations by Fund

General	1,500,000	-0-
State Government		
Special Revenue	-0-	27,000

(a) **Legal Costs.** \$1,500,000 in fiscal year 2024 is from the general fund for legal costs. This is a onetime appropriation and is available until June 30, 2027.

(b) **Base Level Adjustment.** The state government special revenue fund base is increased by \$27,000 in fiscal year 2026 and increased by \$27,000 in fiscal year 2027.

EFFECTIVE DATE. This section is effective June 30, 2025.

Sec. 7. TRANSFER.

Notwithstanding Minnesota Statutes, section 214.06, subdivision 1a, paragraph (b), the commissioner of management and budget must transfer \$23,000,000 in fiscal year 2026 from the health occupations licensing account in the state government special revenue fund to the general fund. The health-related licensing boards listed in Minnesota Statutes, section 214.01, subdivision 2, must determine how to apportion the transfer in this section across each individual board and report those amounts, to equal a total of \$23,000,000, to the commissioner of management and budget by May 31, 2026. This is a onetime transfer.

Sec. 8. GRANT ADMINISTRATION COSTS.

This article appropriates necessary administrative costs. The administrative costs retention requirement under Minnesota Statutes, section 16B.98, subdivision 14, is inapplicable to any appropriation in this article for a grant.

Sec. 9. APPROPRIATIONS GIVEN EFFECT ONCE.

If an appropriation, cancellation, or transfer in this article is enacted more than once during the 2025 first special session, the appropriation, cancellation, or transfer must be given effect once.

Sec. 10. EXPIRATION OF UNCODIFIED LANGUAGE.

All uncodified language contained in this article expires June 30, 2027, unless a different expiration date is explicit or an appropriation is made available after June 30, 2027.

ARTICLE 24**OTHER AGENCY CHILDREN APPROPRIATIONS****Section 1. OTHER AGENCY APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2026</u>	<u>2027</u>
Sec. 2. <u>OMBUDSPERSON FOR FAMILIES</u>	<u>\$</u>	<u>792,000</u>	<u>\$ 808,000</u>
Sec. 3. <u>OMBUDSPERSON FOR AMERICAN INDIAN FAMILIES</u>	<u>\$</u>	<u>344,000</u>	<u>\$ 347,000</u>
Sec. 4. <u>OFFICE OF THE FOSTER YOUTH OMBUDSPERSON</u>	<u>\$</u>	<u>982,000</u>	<u>\$ 995,000</u>

Subdivision 1. Base Level Adjustment

The general fund base for this section is \$975,000 in fiscal year 2028 and \$975,000 in fiscal year 2029.

Subd. 2. Cancellation

An amount estimated to be \$420,000 of the fiscal year 2025 general fund appropriation in Laws 2023, chapter 70, article 20, section 8, is canceled to the general fund.

Sec. 5. <u>COMMISSIONER OF EDUCATION</u>	<u>\$</u>	<u>7,950,000</u>	<u>\$</u>	<u>7,950,000</u>
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Early Childhood Literacy Programs. \$7,950,000 in fiscal year 2026 and \$7,950,000 in fiscal year 2027 are for early childhood literacy grants under Minnesota Statutes, section 142D.12, subdivision 3.

Sec. 6. GRANT ADMINISTRATION COSTS.

This article appropriates necessary administrative costs. The administrative costs retention requirement under Minnesota Statutes, section 16B.98, subdivision 14, is inapplicable to any appropriation in this article for a grant.

Sec. 7. EXPIRATION OF UNCODIFIED LANGUAGE.

All uncodified language contained in this article expires on June 30, 2027, unless a different expiration date is explicit or an appropriation is made available beyond June 30, 2027.

Sec. 8. APPROPRIATIONS GIVEN EFFECT ONCE.

If an appropriation, transfer, or cancellation in this article is enacted more than once during the 2025 first special session, the appropriation, transfer, or cancellation must be given effect once.

Presented to the governor June 12, 2025

Signed by the governor June 14, 2025, 10:27 a.m.