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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 1299

02/16/2017 Authored by Franson
The bill was read for the first time and referred to the Committee on Health and Human Services Reform

1.1 A bill for an act
1.2 relating to human services; modifying the duty of commissioner to inform county
1.3 agencies and license holders of changes in statute, rule, federal law, regulation,
1.4 and policy; amending Minnesota Statutes 2016, section 256.01, subdivision 2.

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

1.6 Section 1. Minnesota Statutes 2016, section 256.01, subdivision 2, is amended to read:

1.7 Subd. 2. **Specific powers.** Subject to the provisions of section 241.021, subdivision 2,
1.8 the commissioner of human services shall carry out the specific duties in paragraphs (a)
1.9 through ~~(bb)~~ (aa):

1.10 (a) Administer and supervise all forms of public assistance provided for by state law
1.11 and other welfare activities or services as are vested in the commissioner. Administration
1.12 and supervision of human services activities or services includes, but is not limited to,
1.13 assuring timely and accurate distribution of benefits, completeness of service, and quality
1.14 program management. In addition to administering and supervising human services activities
1.15 vested by law in the department, the commissioner shall have the authority to:

1.16 (1) require county agency participation in training and technical assistance programs to
1.17 promote compliance with statutes, rules, federal laws, regulations, and policies governing
1.18 human services;

1.19 (2) monitor, on an ongoing basis, the performance of county agencies in the operation
1.20 and administration of human services, enforce compliance with statutes, rules, federal laws,
1.21 regulations, and policies governing welfare services and promote excellence of administration
1.22 and program operation;

2.1 (3) develop a quality control program or other monitoring program to review county
2.2 performance and accuracy of benefit determinations;

2.3 (4) require county agencies to make an adjustment to the public assistance benefits issued
2.4 to any individual consistent with federal law and regulation and state law and rule and to
2.5 issue or recover benefits as appropriate;

2.6 (5) delay or deny payment of all or part of the state and federal share of benefits and
2.7 administrative reimbursement according to the procedures set forth in section 256.017;

2.8 (6) make contracts with and grants to public and private agencies and organizations,
2.9 both profit and nonprofit, and individuals, using appropriated funds; and

2.10 (7) enter into contractual agreements with federally recognized Indian tribes with a
2.11 reservation in Minnesota to the extent necessary for the tribe to operate a federally approved
2.12 family assistance program or any other program under the supervision of the commissioner.
2.13 The commissioner shall consult with the affected county or counties in the contractual
2.14 agreement negotiations, if the county or counties wish to be included, in order to avoid the
2.15 duplication of county and tribal assistance program services. The commissioner may establish
2.16 necessary accounts for the purposes of receiving and disbursing funds as necessary for the
2.17 operation of the programs.

2.18 (b) Inform county agencies and affected license holders, on a timely basis, of changes
2.19 in statute, rule, federal law, regulation, and policy necessary to county agency administration
2.20 of the programs and promotion of license holder compliance with these changes. Notification
2.21 may be accomplished by electronic means. The commissioner must make notices of changes
2.22 in statute, rule, federal law, regulation, and policy available to the public online.

2.23 (c) Administer and supervise all child welfare activities; promote the enforcement of
2.24 laws protecting disabled, dependent, neglected and delinquent children, and children born
2.25 to mothers who were not married to the children's fathers at the times of the conception nor
2.26 at the births of the children; license and supervise child-caring and child-placing agencies
2.27 and institutions; supervise the care of children in boarding and foster homes or in private
2.28 institutions; and generally perform all functions relating to the field of child welfare now
2.29 vested in the State Board of Control.

2.30 (d) Administer and supervise all noninstitutional service to persons with disabilities,
2.31 including persons who have vision impairments, and persons who are deaf, deafblind, and
2.32 hard-of-hearing or with other disabilities. The commissioner may provide and contract for
2.33 the care and treatment of qualified indigent children in facilities other than those located
2.34 and available at state hospitals when it is not feasible to provide the service in state hospitals.

3.1 (e) Assist and actively cooperate with other departments, agencies and institutions, local,
3.2 state, and federal, by performing services in conformity with the purposes of Laws 1939,
3.3 chapter 431.

3.4 (f) Act as the agent of and cooperate with the federal government in matters of mutual
3.5 concern relative to and in conformity with the provisions of Laws 1939, chapter 431,
3.6 including the administration of any federal funds granted to the state to aid in the performance
3.7 of any functions of the commissioner as specified in Laws 1939, chapter 431, and including
3.8 the promulgation of rules making uniformly available medical care benefits to all recipients
3.9 of public assistance, at such times as the federal government increases its participation in
3.10 assistance expenditures for medical care to recipients of public assistance, the cost thereof
3.11 to be borne in the same proportion as are grants of aid to said recipients.

3.12 (g) Establish and maintain any administrative units reasonably necessary for the
3.13 performance of administrative functions common to all divisions of the department.

3.14 (h) Act as designated guardian of both the estate and the person of all the wards of the
3.15 state of Minnesota, whether by operation of law or by an order of court, without any further
3.16 act or proceeding whatever, except as to persons committed as developmentally disabled.
3.17 For children under the guardianship of the commissioner or a tribe in Minnesota recognized
3.18 by the Secretary of the Interior whose interests would be best served by adoptive placement,
3.19 the commissioner may contract with a licensed child-placing agency or a Minnesota tribal
3.20 social services agency to provide adoption services. A contract with a licensed child-placing
3.21 agency must be designed to supplement existing county efforts and may not replace existing
3.22 county programs or tribal social services, unless the replacement is agreed to by the county
3.23 board and the appropriate exclusive bargaining representative, tribal governing body, or the
3.24 commissioner has evidence that child placements of the county continue to be substantially
3.25 below that of other counties. Funds encumbered and obligated under an agreement for a
3.26 specific child shall remain available until the terms of the agreement are fulfilled or the
3.27 agreement is terminated.

3.28 (i) Act as coordinating referral and informational center on requests for service for newly
3.29 arrived immigrants coming to Minnesota.

3.30 (j) The specific enumeration of powers and duties as hereinabove set forth shall in no
3.31 way be construed to be a limitation upon the general transfer of powers herein contained.

3.32 (k) Establish county, regional, or statewide schedules of maximum fees and charges
3.33 which may be paid by county agencies for medical, dental, surgical, hospital, nursing and

4.1 nursing home care and medicine and medical supplies under all programs of medical care
4.2 provided by the state and for congregate living care under the income maintenance programs.

4.3 (l) Have the authority to conduct and administer experimental projects to test methods
4.4 and procedures of administering assistance and services to recipients or potential recipients
4.5 of public welfare. To carry out such experimental projects, it is further provided that the
4.6 commissioner of human services is authorized to waive the enforcement of existing specific
4.7 statutory program requirements, rules, and standards in one or more counties. The order
4.8 establishing the waiver shall provide alternative methods and procedures of administration,
4.9 shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and
4.10 in no event shall the duration of a project exceed four years. It is further provided that no
4.11 order establishing an experimental project as authorized by the provisions of this section
4.12 shall become effective until the following conditions have been met:

4.13 (1) the secretary of health and human services of the United States has agreed, for the
4.14 same project, to waive state plan requirements relative to statewide uniformity; and

4.15 (2) a comprehensive plan, including estimated project costs, shall be approved by the
4.16 Legislative Advisory Commission and filed with the commissioner of administration.

4.17 (m) According to federal requirements, establish procedures to be followed by local
4.18 welfare boards in creating citizen advisory committees, including procedures for selection
4.19 of committee members.

4.20 (n) Allocate federal fiscal disallowances or sanctions which are based on quality control
4.21 error rates for the aid to families with dependent children program formerly codified in
4.22 sections 256.72 to 256.87, medical assistance, or food stamp program in the following
4.23 manner:

4.24 (1) one-half of the total amount of the disallowance shall be borne by the county boards
4.25 responsible for administering the programs. For the medical assistance and the AFDC
4.26 program formerly codified in sections 256.72 to 256.87, disallowances shall be shared by
4.27 each county board in the same proportion as that county's expenditures for the sanctioned
4.28 program are to the total of all counties' expenditures for the AFDC program formerly codified
4.29 in sections 256.72 to 256.87, and medical assistance programs. For the food stamp program,
4.30 sanctions shall be shared by each county board, with 50 percent of the sanction being
4.31 distributed to each county in the same proportion as that county's administrative costs for
4.32 food stamps are to the total of all food stamp administrative costs for all counties, and 50
4.33 percent of the sanctions being distributed to each county in the same proportion as that
4.34 county's value of food stamp benefits issued are to the total of all benefits issued for all

5.1 counties. Each county shall pay its share of the disallowance to the state of Minnesota.

5.2 When a county fails to pay the amount due hereunder, the commissioner may deduct the
5.3 amount from reimbursement otherwise due the county, or the attorney general, upon the
5.4 request of the commissioner, may institute civil action to recover the amount due; and

5.5 (2) notwithstanding the provisions of clause (1), if the disallowance results from knowing
5.6 noncompliance by one or more counties with a specific program instruction, and that knowing
5.7 noncompliance is a matter of official county board record, the commissioner may require
5.8 payment or recover from the county or counties, in the manner prescribed in clause (1), an
5.9 amount equal to the portion of the total disallowance which resulted from the noncompliance,
5.10 and may distribute the balance of the disallowance according to clause (1).

5.11 (o) Develop and implement special projects that maximize reimbursements and result
5.12 in the recovery of money to the state. For the purpose of recovering state money, the
5.13 commissioner may enter into contracts with third parties. Any recoveries that result from
5.14 projects or contracts entered into under this paragraph shall be deposited in the state treasury
5.15 and credited to a special account until the balance in the account reaches \$1,000,000. When
5.16 the balance in the account exceeds \$1,000,000, the excess shall be transferred and credited
5.17 to the general fund. All money in the account is appropriated to the commissioner for the
5.18 purposes of this paragraph.

5.19 (p) Have the authority to establish and enforce the following county reporting
5.20 requirements:

5.21 (1) the commissioner shall establish fiscal and statistical reporting requirements necessary
5.22 to account for the expenditure of funds allocated to counties for human services programs.
5.23 When establishing financial and statistical reporting requirements, the commissioner shall
5.24 evaluate all reports, in consultation with the counties, to determine if the reports can be
5.25 simplified or the number of reports can be reduced;

5.26 (2) the county board shall submit monthly or quarterly reports to the department as
5.27 required by the commissioner. Monthly reports are due no later than 15 working days after
5.28 the end of the month. Quarterly reports are due no later than 30 calendar days after the end
5.29 of the quarter, unless the commissioner determines that the deadline must be shortened to
5.30 20 calendar days to avoid jeopardizing compliance with federal deadlines or risking a loss
5.31 of federal funding. Only reports that are complete, legible, and in the required format shall
5.32 be accepted by the commissioner;

5.33 (3) if the required reports are not received by the deadlines established in clause (2), the
5.34 commissioner may delay payments and withhold funds from the county board until the next

6.1 reporting period. When the report is needed to account for the use of federal funds and the
6.2 late report results in a reduction in federal funding, the commissioner shall withhold from
6.3 the county boards with late reports an amount equal to the reduction in federal funding until
6.4 full federal funding is received;

6.5 (4) a county board that submits reports that are late, illegible, incomplete, or not in the
6.6 required format for two out of three consecutive reporting periods is considered
6.7 noncompliant. When a county board is found to be noncompliant, the commissioner shall
6.8 notify the county board of the reason the county board is considered noncompliant and
6.9 request that the county board develop a corrective action plan stating how the county board
6.10 plans to correct the problem. The corrective action plan must be submitted to the
6.11 commissioner within 45 days after the date the county board received notice of
6.12 noncompliance;

6.13 (5) the final deadline for fiscal reports or amendments to fiscal reports is one year after
6.14 the date the report was originally due. If the commissioner does not receive a report by the
6.15 final deadline, the county board forfeits the funding associated with the report for that
6.16 reporting period and the county board must repay any funds associated with the report
6.17 received for that reporting period;

6.18 (6) the commissioner may not delay payments, withhold funds, or require repayment
6.19 under clause (3) or (5) if the county demonstrates that the commissioner failed to provide
6.20 appropriate forms, guidelines, and technical assistance to enable the county to comply with
6.21 the requirements. If the county board disagrees with an action taken by the commissioner
6.22 under clause (3) or (5), the county board may appeal the action according to sections 14.57
6.23 to 14.69; and

6.24 (7) counties subject to withholding of funds under clause (3) or forfeiture or repayment
6.25 of funds under clause (5) shall not reduce or withhold benefits or services to clients to cover
6.26 costs incurred due to actions taken by the commissioner under clause (3) or (5).

6.27 (q) Allocate federal fiscal disallowances or sanctions for audit exceptions when federal
6.28 fiscal disallowances or sanctions are based on a statewide random sample in direct proportion
6.29 to each county's claim for that period.

6.30 (r) Be responsible for ensuring the detection, prevention, investigation, and resolution
6.31 of fraudulent activities or behavior by applicants, recipients, and other participants in the
6.32 human services programs administered by the department.

7.1 (s) Require county agencies to identify overpayments, establish claims, and utilize all
7.2 available and cost-beneficial methodologies to collect and recover these overpayments in
7.3 the human services programs administered by the department.

7.4 (t) Have the authority to administer the federal drug rebate program for drugs purchased
7.5 under the medical assistance program as allowed by section 1927 of title XIX of the Social
7.6 Security Act and according to the terms and conditions of section 1927. Rebates shall be
7.7 collected for all drugs that have been dispensed or administered in an outpatient setting and
7.8 that are from manufacturers who have signed a rebate agreement with the United States
7.9 Department of Health and Human Services.

7.10 (u) Have the authority to administer a supplemental drug rebate program for drugs
7.11 purchased under the medical assistance program. The commissioner may enter into
7.12 supplemental rebate contracts with pharmaceutical manufacturers and may require prior
7.13 authorization for drugs that are from manufacturers that have not signed a supplemental
7.14 rebate contract. Prior authorization of drugs shall be subject to the provisions of section
7.15 256B.0625, subdivision 13.

7.16 (v) Operate the department's communication systems account established in Laws 1993,
7.17 First Special Session chapter 1, article 1, section 2, subdivision 2, to manage shared
7.18 communication costs necessary for the operation of the programs the commissioner
7.19 supervises. A communications account may also be established for each regional treatment
7.20 center which operates communications systems. Each account must be used to manage
7.21 shared communication costs necessary for the operations of the programs the commissioner
7.22 supervises. The commissioner may distribute the costs of operating and maintaining
7.23 communication systems to participants in a manner that reflects actual usage. Costs may
7.24 include acquisition, licensing, insurance, maintenance, repair, staff time and other costs as
7.25 determined by the commissioner. Nonprofit organizations and state, county, and local
7.26 government agencies involved in the operation of programs the commissioner supervises
7.27 may participate in the use of the department's communications technology and share in the
7.28 cost of operation. The commissioner may accept on behalf of the state any gift, bequest,
7.29 devise or personal property of any kind, or money tendered to the state for any lawful
7.30 purpose pertaining to the communication activities of the department. Any money received
7.31 for this purpose must be deposited in the department's communication systems accounts.
7.32 Money collected by the commissioner for the use of communication systems must be
7.33 deposited in the state communication systems account and is appropriated to the
7.34 commissioner for purposes of this section.

8.1 (w) Receive any federal matching money that is made available through the medical
8.2 assistance program for the consumer satisfaction survey. Any federal money received for
8.3 the survey is appropriated to the commissioner for this purpose. The commissioner may
8.4 expend the federal money received for the consumer satisfaction survey in either year of
8.5 the biennium.

8.6 (x) Designate community information and referral call centers and incorporate cost
8.7 reimbursement claims from the designated community information and referral call centers
8.8 into the federal cost reimbursement claiming processes of the department according to
8.9 federal law, rule, and regulations. Existing information and referral centers provided by
8.10 Greater Twin Cities United Way or existing call centers for which Greater Twin Cities
8.11 United Way has legal authority to represent, shall be included in these designations upon
8.12 review by the commissioner and assurance that these services are accredited and in
8.13 compliance with national standards. Any reimbursement is appropriated to the commissioner
8.14 and all designated information and referral centers shall receive payments according to
8.15 normal department schedules established by the commissioner upon final approval of
8.16 allocation methodologies from the United States Department of Health and Human Services
8.17 Division of Cost Allocation or other appropriate authorities.

8.18 (y) Develop recommended standards for foster care homes that address the components
8.19 of specialized therapeutic services to be provided by foster care homes with those services.

8.20 (z) Authorize the method of payment to or from the department as part of the human
8.21 services programs administered by the department. This authorization includes the receipt
8.22 or disbursement of funds held by the department in a fiduciary capacity as part of the human
8.23 services programs administered by the department.

8.24 (aa) Designate the agencies that operate the Senior LinkAge Line under section 256.975,
8.25 subdivision 7, and the Disability Linkage Line under subdivision 24 as the state of Minnesota
8.26 Aging and Disability Resource Center under United States Code, title 42, section 3001, the
8.27 Older Americans Act Amendments of 2006, and incorporate cost reimbursement claims
8.28 from the designated centers into the federal cost reimbursement claiming processes of the
8.29 department according to federal law, rule, and regulations. Any reimbursement must be
8.30 appropriated to the commissioner and treated consistent with section 256.011. All Aging
8.31 and Disability Resource Center designated agencies shall receive payments of grant funding
8.32 that supports the activity and generates the federal financial participation according to Board
8.33 on Aging administrative granting mechanisms.