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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1664

02/25/2021

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The bill was read for the first time and referred to the Committee on Human Services Finance and Policy

1.1 A bill for an act

1.2 relating to human services; taxation; individual income; establishing the long-term

1.3 services and supports trust program and fund; creating an advisory council;

1.4 providing directions to the commissioner of human services; establishing a

1.5 long-term care insurance tax; allowing certain welfare data-sharing; providing

1.6 direction to the Office of the Legislative Auditor; amending Minnesota Statutes

1.7 2020, sections 13.46, subdivision 2; 270B.14, subdivision 1; 289A.08, by adding

1.8 a subdivision; proposing coding for new law in Minnesota Statutes, chapters 16A;

1.9 290; proposing coding for new law as Minnesota Statutes, chapter 256T.

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

1.11 **ARTICLE 1**

1.12 **LONG-TERM SERVICES AND SUPPORTS TRUST FUND**

1.13 Section 1. **[16A.7245] LONG-TERM SERVICES AND SUPPORTS TRUST FUND.**

1.14 Subdivision 1. **Creation of fund.** A long-term services and supports trust fund is created

1.15 in the state treasury. The fund is a direct appropriated special revenue fund. The commissioner

1.16 shall deposit to the credit of the fund receipts from the taxes imposed under section 290.055.

1.17 Notwithstanding section 11A.20, all investment income and all investment losses attributable

1.18 to the investment of the long-term services and supports trust fund not currently needed

1.19 shall be credited to the long-term services and supports trust fund.

1.20 Subd. 2. **Long-term services and supports fund.** The commissioner of human services

1.21 may expend money appropriated from the long-term services and supports trust fund for

1.22 the purposes of chapter 256T in either year of the biennium. The commissioner may expend

1.23 seven percent of money appropriated from the trust fund on administrative expenses.

2.1 Subd. 3. **Prohibition on supplantation.** Money in the fund must be used to expand
2.2 long-term care in the state. These funds must not be used in whole or in part to supplant
2.3 existing state or county funds for programs that meet the definition of approved service
2.4 under section 256T.01, subdivision 2.

2.5 Sec. 2. **[256T.01] DEFINITIONS.**

2.6 Subdivision 1. **Application.** For purposes of this chapter, the terms in this section have
2.7 the meanings given unless otherwise provided for in this chapter.

2.8 Subd. 2. **Approved service.** "Approved service" means long-term services and supports
2.9 including but not limited to:

2.10 (1) adaptive equipment and technology;

2.11 (2) adult day services;

2.12 (3) adult family foster care;

2.13 (4) assisted living services provided in a facility licensed under chapter 144G;

2.14 (5) care transition coordination;

2.15 (6) case management services;

2.16 (7) dementia supports;

2.17 (8) education and consultation;

2.18 (9) eligible care provided by a qualified independent provider;

2.19 (10) environmental modifications;

2.20 (11) family caregiver assessments;

2.21 (12) financial management services;

2.22 (13) home care services, including skilled nurse visits, home health aide visits, physical
2.23 therapy, occupational therapy, respiratory therapy, language-speech pathology therapy,
2.24 home care nursing, personal care assistance, and community first services and supports;

2.25 (14) home-delivered meals;

2.26 (15) home safety evaluation;

2.27 (16) memory care;

2.28 (17) mental health services focused on trauma and grief for family caregivers;

2.29 (18) nursing home services provided in a facility licensed under chapter 144A;

3.1 (19) personal emergency response system;

3.2 (20) professional services;

3.3 (21) respite for family caregivers;

3.4 (22) training for individuals who are not otherwise employed as long-term care workers,
3.5 including but not limited to family caregivers; and

3.6 (23) transportation.

3.7 Subd. 3. **Benefit unit.** "Benefit unit" means no more than \$100 paid by the commissioner
3.8 to a qualified independent provider or long-term services and supports provider as
3.9 reimbursement for approved services provided to an eligible beneficiary on a specific date.
3.10 The benefit unit must be adjusted annually at a rate no greater than the Minnesota state
3.11 consumer price index, as determined by the commissioner, and must be set at a level to
3.12 ensure consumer-driven choice of provider.

3.13 Subd. 4. **Commissioner.** "Commissioner" means the commissioner of human services,
3.14 unless otherwise specified.

3.15 Subd. 5. **Eligible beneficiary.** "Eligible beneficiary" means a qualified individual who:

3.16 (1) is age 18 or older;

3.17 (2) resides in the state of Minnesota;

3.18 (3) was not disabled before age 18;

3.19 (4) has been determined dependent in one activity of daily living as defined in section
3.20 256B.85, subdivision 2, paragraph (b), or in a Level I behavior as defined in section 256B.85,
3.21 subdivision 2, paragraph (r); and

3.22 (5) has not exhausted the lifetime limit of benefit units.

3.23 Subd. 6. **Fund.** "Fund" means the long-term services and supports trust fund created in
3.24 section 16A.7245.

3.25 Subd. 7. **Long-term services and supports provider.** "Long-term services and supports
3.26 provider" means an entity that:

3.27 (1) provides assistance with activities of daily living to older adults and people with
3.28 disabilities; and

3.29 (2) meets the applicable qualifications for the approved service the entity provides,
3.30 including a licensed home health agency, licensed assisted living facility, licensed adult

4.1 family foster care, licensed nursing home, adult day services program, vendor, instructor,
 4.2 or other entities registered with the commissioner.

4.3 Subd. 8. **Long-term care payroll tax.** "Long-term care payroll tax" means the taxes
 4.4 imposed under section 290.055, subdivisions 4 and 5.

4.5 Subd. 9. **Program.** "Program" means the long-term services and supports trust program
 4.6 established under this chapter.

4.7 Subd. 10. **Qualified independent provider.** "Qualified independent provider" means
 4.8 an individual who:

4.9 (1) has a relationship with an eligible beneficiary such as a biological, step, or adoptive
 4.10 parent or adult child; spouse; partner; friend; or neighbor;

4.11 (2) assists the eligible beneficiary with an approved service; and

4.12 (3) meets the requirements established in statute for the approved service the individual
 4.13 provides that would be required of any other long-term services and supports provider to
 4.14 receive payments from the state.

4.15 Subd. 11. **Qualified individual.** "Qualified individual" means an individual who paid
 4.16 the long-term care payroll tax and worked at least 500 hours for:

4.17 (1) a total of ten years without an interruption of five or more consecutive years; or

4.18 (2) three years within the last six years.

4.19 **Sec. 3. [256T.02] COMMISSIONER'S DUTIES.**

4.20 Subdivision 1. **Generally.** The commissioners of human services and revenue each have
 4.21 distinct responsibilities in the implementation and administration of the program. In the
 4.22 performance of their duties, the commissioners of human services and revenue shall actively
 4.23 collaborate to realize program efficiencies and provide persons served by the program with
 4.24 a well coordinated experience.

4.25 Subd. 2. **Commissioner of human services.** The commissioner shall:

4.26 (1) select and contract for such actuarial, research, technical, and other administrative
 4.27 services as the commissioner deems necessary to perform the duties under this subdivision;

4.28 (2) make determinations regarding an individual's status as an eligible beneficiary and
 4.29 track the use of lifetime benefit units to verify the individual's status as an eligible beneficiary;

4.30 (3) make determinations regarding an individual's status as a qualified individual;

- 5.1 (4) ensure approved services are provided through audits or service verification processes
5.2 within the service provider payment system for qualified independent providers and long-term
5.3 services and supports providers and recoup any inappropriate payments;
- 5.4 (5) approve long-term services and supports eligible for payment as approved services
5.5 under the program;
- 5.6 (6) register long-term services and supports providers that meet minimum qualifications;
- 5.7 (7) discontinue the registration of long-term services and supports providers that fail to
5.8 meet the minimum qualifications established for the services provided or violate the
5.9 operational standards of the program;
- 5.10 (8) establish procedures for:
- 5.11 (i) qualified independent providers and long-term services and supports providers to
5.12 submit billing statements for approved services provided to eligible beneficiaries under this
5.13 chapter; and
- 5.14 (ii) the payment of benefits to qualified independent providers and long-term services
5.15 and supports providers;
- 5.16 (9) disburse payments of benefits to qualified independent providers and long-term
5.17 services and supports providers, utilizing and leveraging existing payment systems for the
5.18 provision of approved services to eligible beneficiaries;
- 5.19 (10) prepare and distribute written or electronic materials to qualified individuals, eligible
5.20 beneficiaries, and the public to inform them of program design and updates;
- 5.21 (11) provide customer service, address questions, and develop a complaints process,
5.22 including referring individuals to other appropriate agencies such as the Office of Health
5.23 Facility Complaints or the Minnesota Adult Abuse Reporting Center;
- 5.24 (12) track data useful in monitoring and informing the program;
- 5.25 (13) beginning January 1, 2025, and biennially thereafter, perform an actuarial audit and
5.26 validation of the long-term services and supports trust fund;
- 5.27 (14) consult with the advisory council under section 256T.025 as necessary;
- 5.28 (15) make recommendations to the legislative committees with jurisdiction over the
5.29 long-term services and supports trust program on actions necessary to maintain fund solvency.
5.30 The recommendations must include options to redesign or reduce benefit units, approved
5.31 services, or both, to prevent or eliminate unfunded actuarially accrued liability in the fund
5.32 or to maintain solvency;

6.1 (16) beginning November 15, 2026, and every November 15 thereafter, report to the
6.2 chairs and ranking minority members of the legislative committees with jurisdiction over
6.3 the program on agency spending for administrative expenses and include recommendations
6.4 for a method of calculating future agency administrative expenses to limit administrative
6.5 expenses while providing sufficient funds to adequately operate the program;

6.6 (17) beginning December 1, 2027, and every December 1 thereafter, report to the chairs
6.7 and ranking minority members of the legislative committees with jurisdiction over the
6.8 program on the following:

6.9 (i) projected and actual program participation;

6.10 (ii) adequacy of tax rates;

6.11 (iii) fund balances;

6.12 (iv) benefits paid;

6.13 (v) demographic information on program participants; and

6.14 (vi) the extent to which the program has resulted in savings to the medical assistance
6.15 program by avoiding costs that would have otherwise been the responsibility of the state;

6.16 (18) establish rules and procedures for benefit coordination when the eligible beneficiary
6.17 is also eligible for medical assistance and other long-term services and supports coverage,
6.18 including Medicare and private long-term care coverage;

6.19 (19) develop a statewide long-term services and supports program outreach and education
6.20 campaign;

6.21 (20) develop long-term services and supports program enrollment and education navigator
6.22 grants; and

6.23 (21) develop policies and procedures necessary to implement and administer the activities
6.24 specified in this subdivision related to the program.

6.25 Subd. 3. **Commissioner of revenue.** The commissioner of revenue shall:

6.26 (1) collect and assess the taxes imposed under section 290.055;

6.27 (2) assist the commissioner in monitoring the solvency and financial status of the program;

6.28 (3) perform investigations to determine the compliance of tax payments to the extent
6.29 possible; and

6.30 (4) adopt policies and procedures necessary to implement and administer the activities
6.31 specified in this section related to the program.

7.1 Sec. 4. **[256T.03] ELIGIBLE BENEFICIARIES; BENEFIT UNITS.**

7.2 **Subdivision 1. Application; assessment of need.** A qualified individual may become
7.3 an eligible beneficiary by filing an application with the commissioner and undergoing a
7.4 long-term care consultation assessment under section 256B.0911.

7.5 **Subd. 2. Benefit units.** An eligible beneficiary may receive approved services and
7.6 benefits through the program in the form of a benefit unit payable to a qualified independent
7.7 provider or long-term services and supports provider.

7.8 **Subd. 3. Benefit units lifetime limit.** An eligible beneficiary must not receive more
7.9 than the dollar equivalent of 365 benefit units over the course of the eligible beneficiary's
7.10 lifetime.

7.11 **Subd. 4. Calculation of lifetime limit.** If the commissioner reimburses a qualified
7.12 independent provider or long-term services and supports provider for approved services
7.13 provided to an eligible beneficiary and the payment is less than a benefit unit, only the
7.14 portion of the benefit unit that is used shall be taken into consideration when calculating
7.15 the eligible beneficiary's remaining lifetime limit on receipt of benefits.

7.16 **Subd. 5. Combination of benefit units.** An eligible beneficiary may combine benefit
7.17 units to receive more approved services per day as long as the total number of lifetime
7.18 benefit units has not been exceeded.

7.19 **Subd. 6. Benefit units not portable.** Eligible beneficiaries must be residents of
7.20 Minnesota. Benefit units are not portable if a beneficiary moves to another state.

7.21 **Subd. 7. Transition to medical assistance.** Once an eligible beneficiary is estimated to
7.22 be eligible for medical assistance within 90 days, the commissioner shall provide information
7.23 and assistance on the application for and transition to medical assistance benefits.

7.24 Sec. 5. **[256T.04] PAYMENTS.**

7.25 **Subdivision 1. Provider payments.** (a) Approved services must be available and benefits
7.26 payable to a qualified independent provider or long-term services and supports provider on
7.27 behalf of an eligible beneficiary under this chapter.

7.28 **(b) The commissioner shall promptly and periodically pay qualified independent providers**
7.29 **and long-term services and supports providers for approved services provided to eligible**
7.30 **beneficiaries under this chapter.**

7.31 **Subd. 2. Qualified independent provider; payments.** Qualified independent providers
7.32 may be paid for approved services in the same manner as individual providers, through a

8.1 licensed home health agency, or through an enrolled personal care assistance provider
8.2 agency.

8.3 Subd. 3. **Primary payer.** For a person who is an eligible beneficiary under this chapter
8.4 and eligible for medical assistance under chapter 256B, the primary payer is the long-term
8.5 services and supports program under this chapter.

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

8.7 Sec. 6. **[256T.05] PROVIDER REQUIREMENTS.**

8.8 (a) To receive payment for approved services provided under this chapter, a long-term
8.9 services and supports provider must:

8.10 (1) register with the commissioner on the forms and according to the timelines established
8.11 by the commissioner;

8.12 (2) meet any other statutory requirements for the services provided; and

8.13 (3) meet any other qualifications required by the commissioner.

8.14 (b) To receive payments for approved services provided under this chapter, a qualified
8.15 independent provider must meet relevant statutory requirements for the services provided.

8.16 Sec. 7. **[256T.06] APPEAL RIGHTS.**

8.17 Determinations made by the commissioner under this chapter, including determinations
8.18 regarding functional eligibility or related to registration of long-term services and supports
8.19 providers, are subject to appeal in accordance with sections 256.045 and 256.0451.

8.20 Sec. 8. **[256T.07] ELIGIBILITY FOR OTHER STATE PROGRAMS.**

8.21 Any benefits used by an individual under this chapter are not income or resources for
8.22 purposes of eligibility determinations for any other state program or benefit, medical
8.23 assistance, or any other means-tested program.

8.24 Sec. 9. **[256T.08] EXEMPTION.**

8.25 The long-term services and supports trust program under this chapter is not subject to
8.26 the requirements of chapter 62S.

8.27 Sec. 10. **[256T.09] DIRECTION TO COMMISSIONER; WAIVER APPLICATION.**

8.28 The commissioner of human services shall:

9.1 (1) seek access to Medicare data from the federal Centers for Medicare and Medicaid
 9.2 Services to analyze the potential savings in Medicare expenditures due to the operation of
 9.3 the long-term services and supports trust program;

9.4 (2) no later than January 1, 2022, apply for a demonstration waiver from the federal
 9.5 Centers for Medicare and Medicaid Services to allow for the state to share in the savings
 9.6 generated in the federal match for medical assistance long-term services and supports and
 9.7 Medicare due to the operation of the long-term services and supports trust program; and

9.8 (3) no later than December 1, 2023, submit a report on the status of the waiver application
 9.9 to the chairs and ranking minority members of the legislative committees with jurisdiction
 9.10 over the long-term services and supports trust program.

9.11 **Sec. 11. DIRECTION TO COMMISSIONER; REPORT TO LEGISLATURE.**

9.12 By January 1, 2022, the commissioner of human services, in consultation with
 9.13 stakeholders, shall report to the chairs and ranking minority members of the legislative
 9.14 committees with jurisdiction over the long-term services and supports trust fund on:

9.15 (1) establishing criteria for determining that an individual has met the requirements to
 9.16 be an eligible beneficiary as established in Minnesota Statutes, section 256T.01, subdivision
 9.17 5, or a qualified individual as established in Minnesota Statutes, section 256T.01, subdivision
 9.18 11;

9.19 (2) establishing criteria for minimum qualifications for qualified independent providers
 9.20 and the registration of long-term care services and supports providers who provide services
 9.21 to eligible beneficiaries;

9.22 (3) establishing payment maximums for approved services consistent with actuarial
 9.23 soundness which shall not be lower than medical assistance payment for comparable services.
 9.24 A service or supply may be limited by dollar amount, duration, or number of visits;

9.25 (4) changes to policies or procedures to improve the operation of the program;

9.26 (5) the annual adjustment of the benefit unit;

9.27 (6) a refund of taxes for a deceased qualified individual with a dependent who is an
 9.28 individual with a disability who depends on support from a qualified individual. The qualified
 9.29 individual must not have been determined to be an eligible beneficiary by the commissioner
 9.30 of human services. The refund shall be deposited into an individual ABLE account under
 9.31 Minnesota Statutes, chapter 256Q, for the benefit of the dependent with a disability. The
 9.32 value of the refund is 100 percent of the current value of the qualified individual's lifetime

10.1 contribution under section 290.055 at the time that certification of death of the qualified
10.2 individual is submitted, less administrative process fees;

10.3 (7) assisting the commissioner of human services with the preparation of regular actuarial
10.4 reports on the solvency and financial status of the program and advising the legislature on
10.5 actions necessary to maintain fund solvency;

10.6 (8) recommendations on whether and how to extend coverage to individuals who became
10.7 disabled before age 18, including the impact on the financial status and solvency of the
10.8 fund; and

10.9 (9) the projected solvency and financial status of the fund.

10.10 **Sec. 12. REQUEST TO OFFICE OF LEGISLATIVE AUDITOR.**

10.11 No later than December 1, 2033, the Office of the Legislative Auditor is requested to
10.12 conduct a comprehensive evaluation of the long-term services and supports trust program
10.13 established in Minnesota Statutes, chapter 256T, and prepare a report to the chairs and
10.14 ranking minority members of the legislative committees with jurisdiction over the long-term
10.15 services and supports trust program. The report is requested to include recommendations
10.16 for improvements to:

10.17 (1) program operations;

10.18 (2) program financial status, including solvency, the value of the benefit provided, and
10.19 the financial balance of program benefits to costs; and

10.20 (3) the overall efficiency of the program, including but not limited to:

10.21 (i) delaying middle class families' need to spend to poverty to receive Medicaid-funded
10.22 long-term care;

10.23 (ii) strengthening the state economy through improving workforce participation;

10.24 (iii) reducing the caseload and expenditures of long-term care provided under the medical
10.25 assistance program; and

10.26 (iv) obtaining shared savings through a Medicaid demonstration waiver.

ARTICLE 2

LONG-TERM SERVICES AND SUPPORTS ADVISORY COUNCIL

Section 1. [256T.025] LONG-TERM SERVICES AND SUPPORTS ADVISORY COUNCIL.

Subdivision 1. Establishment. The Long-Term Services and Supports Advisory Council is established to advise the commissioners of human services and revenue on the administration of the long-term services and supports program and trust fund.

Subd. 2. Duties. The council shall advise the commissioners of human services and revenue on:

(1) administering the long-term services and supports program and trust fund, including establishing criteria for making eligible beneficiary and qualified individual determinations, approving services, establishing procedures for benefit coordination across multiple programs, and monitoring trust fund solvency;

(2) developing a statewide community outreach and education campaign on the long-term services and supports program;

(3) developing criteria and procedures to be used in awarding enrollment and education navigator grants; and

(4) improving program policies, procedures, and operations as necessary.

Subd. 3. Membership. (a) The council shall consist of 16 members, appointed by the commissioner, except as otherwise specified:

(1) two members of the house of representatives, one from the majority party appointed by the speaker of the house and one from the minority party appointed by the minority leader of the house of representatives;

(2) two members of the senate, one from the majority party appointed by the senate majority leader and one from the minority party appointed by the senate minority leader;

(3) two members representing organizations that provide long-term services and supports to the elderly and people with disabilities;

(4) two members representing individual direct support workers who provide long-term services and supports to the elderly and people with disabilities;

(5) two members representing organizations that advocate on behalf of the elderly or people with disabilities;

12.1 (6) two members currently receiving long-term services and supports for the elderly and
 12.2 people with disabilities;

12.3 (7) the ombudsman for long-term care or a designee;

12.4 (8) the commissioner of human services or a designee;

12.5 (9) the commissioner of revenue or a designee; and

12.6 (10) the director of the Minnesota State Board of Investment or a designee.

12.7 (b) Members of the council shall elect a chair at the first council meeting and once every
 12.8 two years thereafter.

12.9 Subd. 4. **Appointment of members.** The commissioner shall coordinate appointments
 12.10 to provide geographic diversity and shall ensure that at least one-half of council members
 12.11 reside outside of the seven-county metropolitan area.

12.12 Subd. 5. **Terms; compensation; removal; expiration.** The council is governed by
 12.13 section 15.059, except that members of the council shall receive no compensation other
 12.14 than reimbursement for expenses. Notwithstanding section 15.059, subdivision 6, the council
 12.15 shall not expire.

12.16 Subd. 6. **Meetings.** (a) The chair shall convene the council on a semiannual basis and
 12.17 may convene other meetings as necessary. The chair shall convene meetings at different
 12.18 locations in the state to provide geographic access and shall ensure that at least one-half of
 12.19 meetings are held at locations outside of the seven-county metropolitan area.

12.20 (b) The council is subject to chapter 13D.

12.21 (c) The commissioner shall convene the first meeting of the council no later than

12.22 Subd. 7. **Administrative services.** The commissioner shall provide staff and
 12.23 administrative services for the advisory council.

12.24 **ARTICLE 3**

12.25 **LONG-TERM CARE SERVICES AND SUPPORTS CONTRIBUTIONS**

12.26 Section 1. Minnesota Statutes 2020, section 270B.14, subdivision 1, is amended to read:

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

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

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

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

13.10 (e) At the request of the commissioner of human services, the commissioner of revenue
13.11 shall electronically match the Social Security numbers and names of participants in the
13.12 telephone assistance plan operated under sections 237.69 to 237.71, with those of property
13.13 tax refund filers, and determine whether each participant's household income is within the
13.14 eligibility standards for the telephone assistance plan.

13.15 (f) The commissioner may provide records and information collected under sections
13.16 295.50 to 295.59 to the commissioner of human services for purposes of the Medicaid
13.17 Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law
13.18 102-234. Upon the written agreement by the United States Department of Health and Human
13.19 Services to maintain the confidentiality of the data, the commissioner may provide records
13.20 and information collected under sections 295.50 to 295.59 to the Centers for Medicare and
13.21 Medicaid Services section of the United States Department of Health and Human Services
13.22 for purposes of meeting federal reporting requirements.

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

13.25 (h) The commissioner may disclose information to the commissioner of human services
13.26 as necessary for income verification for eligibility and premium payment under the
13.27 MinnesotaCare program, under section 256L.05, subdivision 2, as well as the medical
13.28 assistance program under chapter 256B.

13.29 (i) The commissioner may disclose information to the commissioner of human services
13.30 necessary to verify whether applicants or recipients for the Minnesota family investment
13.31 program, general assistance, the Supplemental Nutrition Assistance Program (SNAP),
13.32 Minnesota supplemental aid program, and child care assistance have claimed refundable
13.33 tax credits under chapter 290 and the property tax refund under chapter 290A, and the
13.34 amounts of the credits.

14.1 (j) The commissioner may disclose information to the commissioner of human services
14.2 necessary to verify income for purposes of calculating parental contribution amounts under
14.3 section 252.27, subdivision 2a.

14.4 (k) The commissioner must disclose to the commissioner of human services any
14.5 information necessary to determine an individual's status as a qualified individual or eligible
14.6 beneficiary under chapter 256T.

14.7 Sec. 2. Minnesota Statutes 2020, section 289A.08, is amended by adding a subdivision to
14.8 read:

14.9 Subd. 18. **Long-term care tax on investment income.** A taxpayer liable for tax under
14.10 section 290.055, subdivision 6, must file a return.

14.11 Sec. 3. **[290.055] LONG-TERM CARE SERVICES AND SUPPORTS TAXES.**

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

14.14 (b) "Covered employment" means employment for which a Minnesota resident employee
14.15 earns wages, excluding noncovered employment.

14.16 (c) "Employee" has the meaning given in section 290.92, subdivision 1, clause (3), but
14.17 does not include employees of the United States of America.

14.18 (d) "Employer" has the meaning given in section 290.92, subdivision 1, clause (4), but
14.19 does not include the United States of America.

14.20 (e) "Net investment income" has the meaning given in section 1411(c) of the Internal
14.21 Revenue Code.

14.22 (f) "Noncovered employment" has the meaning given in section 268.035, subdivision
14.23 20, clauses (1) to (3) only.

14.24 (g) "Self-employment income" means net earnings of a resident from self employment,
14.25 as defined in section 1402 of the Internal Revenue Code, but is limited to amounts allocated
14.26 or apportioned to the state under section 290.17.

14.27 (h) "Wages" has the meaning given in section 290.92, subdivision 1.

14.28 Subd. 2. **Taxes imposed are in addition to other taxes.** The taxes imposed under this
14.29 section are in addition to the tax imposed under section 289A.08, subdivision 7, and any
14.30 other tax imposed by this chapter.

15.1 Subd. 3. **Employer payroll tax.** A tax is imposed on an employer equal to ... percent
15.2 of the wages paid by the employer to each employee in covered employment in the taxable
15.3 year.

15.4 Subd. 4. **Employee payroll tax.** (a) A tax is imposed on the wages of an employee equal
15.5 to ... percent of the individual's wages earned in covered employment in the taxable year.

15.6 (b) An employer must deduct and withhold on the employee's behalf the employee
15.7 payroll tax imposed in paragraph (a), as provided in section 290.92. An employee whose
15.8 employer is not otherwise subject to Minnesota withholding requirements for the employee
15.9 must file and pay the tax according to subdivision 6.

15.10 Subd. 5. **Self-employment tax.** A tax is imposed on the self-employment income of an
15.11 individual taxpayer equal to ... percent of self-employment income in the taxable year.

15.12 Subd. 6. **Remittance of payroll and self-employment taxes** (a) An employer must
15.13 remit the tax under subdivisions 3 and 4 as provided in section 289A.18, subdivisions 2 and
15.14 2a.

15.15 (b) An individual must file and pay the self-employment tax under subdivision 5 at the
15.16 same time and manner as for payment of estimated tax under section 289A.25, subdivision
15.17 3, paragraph (b).

15.18 (c) An individual, trust, or estate must file and pay the investment income tax at the
15.19 same time and manner as for income tax returns under section 289A.18, subdivision 1 or
15.20 3.

15.21 Subd. 7. **Penalties for failure to correctly report residency.** (a) Employees who
15.22 incorrectly report to their employer that they reside in another state are subject to the
15.23 self-employment tax under subdivision 5 for the period for which they reported their
15.24 residency status.

15.25 (b) Employers who incorrectly report to the commissioner the residency of their
15.26 employees, and who incorrectly file and pay returns, are subject to the self-employment tax
15.27 under subdivision 5 for those employees for those periods.

15.28 Subd. 8. **Tax on investment income.** A resident individual, trust, or estate is liable for
15.29 a tax equal to ... percent of net investment income.

15.30 Subd. 9. **Long-term services and supports trust fund.** All revenues from the taxes
15.31 imposed by this section are deposited into the long-term services and supports trust fund
15.32 established under section 16A.7245.

16.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 16.2 31, 2022.

16.3 **ARTICLE 4**

16.4 **DATA PRACTICES**

16.5 Section 1. Minnesota Statutes 2020, section 13.46, subdivision 2, is amended to read:

16.6 Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated
 16.7 by the welfare system are private data on individuals, and shall not be disclosed except:

16.8 (1) according to section 13.05;

16.9 (2) according to court order;

16.10 (3) according to a statute specifically authorizing access to the private data;

16.11 (4) to an agent of the welfare system and an investigator acting on behalf of a county,
 16.12 the state, or the federal government, including a law enforcement person or attorney in the
 16.13 investigation or prosecution of a criminal, civil, or administrative proceeding relating to the
 16.14 administration of a program;

16.15 (5) to personnel of the welfare system who require the data to verify an individual's
 16.16 identity; determine eligibility, amount of assistance, and the need to provide services to an
 16.17 individual or family across programs; coordinate services for an individual or family;
 16.18 evaluate the effectiveness of programs; assess parental contribution amounts; and investigate
 16.19 suspected fraud;

16.20 (6) to administer federal funds or programs;

16.21 (7) between personnel of the welfare system working in the same program;

16.22 (8) to the Department of Revenue to assess parental contribution amounts for purposes
 16.23 of section 252.27, subdivision 2a, administer and evaluate tax refund or tax credit programs
 16.24 and to identify individuals who may benefit from these programs. The following information
 16.25 may be disclosed under this paragraph: an individual's and ~~their~~ the individual's dependent's
 16.26 names, dates of birth, Social Security numbers, income, addresses, and other data as required,
 16.27 upon request by the Department of Revenue. Disclosures by the commissioner of revenue
 16.28 to the commissioner of human services for the purposes described in this clause are governed
 16.29 by section 270B.14, subdivision 1. Tax refund or tax credit programs include, but are not
 16.30 limited to, the dependent care credit under section 290.067, the Minnesota working family
 16.31 credit under section 290.0671, the property tax refund and rental credit under section
 16.32 290A.04, and the Minnesota education credit under section 290.0674;

17.1 (9) between the Department of Human Services, the Department of Employment and
17.2 Economic Development, and when applicable, the Department of Education, for the following
17.3 purposes:

17.4 (i) to monitor the eligibility of the data subject for unemployment benefits, for any
17.5 employment or training program administered, supervised, or certified by that agency;

17.6 (ii) to administer any rehabilitation program or child care assistance program, whether
17.7 alone or in conjunction with the welfare system;

17.8 (iii) to monitor and evaluate the Minnesota family investment program or the child care
17.9 assistance program by exchanging data on recipients and former recipients of Supplemental
17.10 Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D,
17.11 256J, or 256K, child care assistance under chapter 119B, medical programs under chapter
17.12 256B or 256L, or a medical program formerly codified under chapter 256D; and

17.13 (iv) to analyze public assistance employment services and program utilization, cost,
17.14 effectiveness, and outcomes as implemented under the authority established in Title II,
17.15 Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999.
17.16 Health records governed by sections 144.291 to 144.298 and "protected health information"
17.17 as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code
17.18 of Federal Regulations, title 45, parts 160-164, including health care claims utilization
17.19 information, must not be exchanged under this clause;

17.20 (10) to appropriate parties in connection with an emergency if knowledge of the
17.21 information is necessary to protect the health or safety of the individual or other individuals
17.22 or persons;

17.23 (11) data maintained by residential programs as defined in section 245A.02 may be
17.24 disclosed to the protection and advocacy system established in this state according to Part
17.25 C of Public Law 98-527 to protect the legal and human rights of persons with developmental
17.26 disabilities or other related conditions who live in residential facilities for these persons if
17.27 the protection and advocacy system receives a complaint by or on behalf of that person and
17.28 the person does not have a legal guardian or the state or a designee of the state is the legal
17.29 guardian of the person;

17.30 (12) to the county medical examiner or the county coroner for identifying or locating
17.31 relatives or friends of a deceased person;

18.1 (13) data on a child support obligor who makes payments to the public agency may be
18.2 disclosed to the Minnesota Office of Higher Education to the extent necessary to determine
18.3 eligibility under section 136A.121, subdivision 2, clause (5);

18.4 (14) participant Social Security numbers and names collected by the telephone assistance
18.5 program may be disclosed to the Department of Revenue to conduct an electronic data
18.6 match with the property tax refund database to determine eligibility under section 237.70,
18.7 subdivision 4a;

18.8 (15) the current address of a Minnesota family investment program participant may be
18.9 disclosed to law enforcement officers who provide the name of the participant and notify
18.10 the agency that:

18.11 (i) the participant:

18.12 (A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after
18.13 conviction, for a crime or attempt to commit a crime that is a felony under the laws of the
18.14 jurisdiction from which the individual is fleeing; or

18.15 (B) is violating a condition of probation or parole imposed under state or federal law;

18.16 (ii) the location or apprehension of the felon is within the law enforcement officer's
18.17 official duties; and

18.18 (iii) the request is made in writing and in the proper exercise of those duties;

18.19 (16) the current address of a recipient of general assistance may be disclosed to probation
18.20 officers and corrections agents who are supervising the recipient and to law enforcement
18.21 officers who are investigating the recipient in connection with a felony level offense;

18.22 (17) information obtained from a SNAP applicant or recipient households may be
18.23 disclosed to local, state, or federal law enforcement officials, upon their written request, for
18.24 the purpose of investigating an alleged violation of the Food and Nutrition Act, according
18.25 to Code of Federal Regulations, title 7, section 272.1(c);

18.26 (18) the address, Social Security number, and, if available, photograph of any member
18.27 of a household receiving SNAP benefits shall be made available, on request, to a local, state,
18.28 or federal law enforcement officer if the officer furnishes the agency with the name of the
18.29 member and notifies the agency that:

18.30 (i) the member:

18.31 (A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a
18.32 crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

19.1 (B) is violating a condition of probation or parole imposed under state or federal law;
19.2 or

19.3 (C) has information that is necessary for the officer to conduct an official duty related
19.4 to conduct described in subitem (A) or (B);

19.5 (ii) locating or apprehending the member is within the officer's official duties; and

19.6 (iii) the request is made in writing and in the proper exercise of the officer's official duty;

19.7 (19) the current address of a recipient of Minnesota family investment program, general
19.8 assistance, or SNAP benefits may be disclosed to law enforcement officers who, in writing,
19.9 provide the name of the recipient and notify the agency that the recipient is a person required
19.10 to register under section 243.166, but is not residing at the address at which the recipient is
19.11 registered under section 243.166;

19.12 (20) certain information regarding child support obligors who are in arrears may be
19.13 made public according to section 518A.74;

19.14 (21) data on child support payments made by a child support obligor and data on the
19.15 distribution of those payments excluding identifying information on obligees may be
19.16 disclosed to all obligees to whom the obligor owes support, and data on the enforcement
19.17 actions undertaken by the public authority, the status of those actions, and data on the income
19.18 of the obligor or obligee may be disclosed to the other party;

19.19 (22) data in the work reporting system may be disclosed under section 256.998,
19.20 subdivision 7;

19.21 (23) to the Department of Education for the purpose of matching Department of Education
19.22 student data with public assistance data to determine students eligible for free and
19.23 reduced-price meals, meal supplements, and free milk according to United States Code,
19.24 title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state
19.25 funds that are distributed based on income of the student's family; and to verify receipt of
19.26 energy assistance for the telephone assistance plan;

19.27 (24) the current address and telephone number of program recipients and emergency
19.28 contacts may be released to the commissioner of health or a community health board as
19.29 defined in section 145A.02, subdivision 5, when the commissioner or community health
19.30 board has reason to believe that a program recipient is a disease case, carrier, suspect case,
19.31 or at risk of illness, and the data are necessary to locate the person;

19.32 (25) to other state agencies, statewide systems, and political subdivisions of this state,
19.33 including the attorney general, and agencies of other states, interstate information networks,

20.1 federal agencies, and other entities as required by federal regulation or law for the
20.2 administration of the child support enforcement program;

20.3 (26) to personnel of public assistance programs as defined in section 256.741, for access
20.4 to the child support system database for the purpose of administration, including monitoring
20.5 and evaluation of those public assistance programs;

20.6 (27) to monitor and evaluate the Minnesota family investment program by exchanging
20.7 data between the Departments of Human Services and Education, on recipients and former
20.8 recipients of SNAP benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child
20.9 care assistance under chapter 119B, medical programs under chapter 256B or 256L, or a
20.10 medical program formerly codified under chapter 256D;

20.11 (28) to evaluate child support program performance and to identify and prevent fraud
20.12 in the child support program by exchanging data between the Department of Human Services,
20.13 Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b),
20.14 without regard to the limitation of use in paragraph (c), Department of Health, Department
20.15 of Employment and Economic Development, and other state agencies as is reasonably
20.16 necessary to perform these functions;

20.17 (29) counties and the Department of Human Services operating child care assistance
20.18 programs under chapter 119B may disseminate data on program participants, applicants,
20.19 and providers to the commissioner of education;

20.20 (30) child support data on the child, the parents, and relatives of the child may be
20.21 disclosed to agencies administering programs under titles IV-B and IV-E of the Social
20.22 Security Act, as authorized by federal law;

20.23 (31) to a health care provider governed by sections 144.291 to 144.298, to the extent
20.24 necessary to coordinate services;

20.25 (32) to the chief administrative officer of a school to coordinate services for a student
20.26 and family; data that may be disclosed under this clause are limited to name, date of birth,
20.27 gender, and address;

20.28 (33) to county correctional agencies to the extent necessary to coordinate services and
20.29 diversion programs; data that may be disclosed under this clause are limited to name, client
20.30 demographics, program, case status, and county worker information; ~~or~~

20.31 (34) between the Department of Human Services and the Metropolitan Council for the
20.32 following purposes:

21.1 (i) to coordinate special transportation service provided under section 473.386 with
21.2 services for people with disabilities and elderly individuals funded by or through the
21.3 Department of Human Services; and

21.4 (ii) to provide for reimbursement of special transportation service provided under section
21.5 473.386.

21.6 The data that may be shared under this clause are limited to the individual's first, last, and
21.7 middle names; date of birth; residential address; and program eligibility status with expiration
21.8 date for the purposes of informing the other party of program eligibility; or

21.9 (35) between the Department of Human Services and Department of Revenue for the
21.10 administration of the long-term services and supports trust fund under section 16A.7245
21.11 and the long-term services and supports trust program under chapter 256T.

21.12 (b) Information on persons who have been treated for drug or alcohol abuse may only
21.13 be disclosed according to the requirements of Code of Federal Regulations, title 42, sections
21.14 2.1 to 2.67.

21.15 (c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16),
21.16 (17), or (18), or paragraph (b), are investigative data and are confidential or protected
21.17 nonpublic while the investigation is active. The data are private after the investigation
21.18 becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

21.19 (d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are
21.20 not subject to the access provisions of subdivision 10, paragraph (b).

21.21 For the purposes of this subdivision, a request will be deemed to be made in writing if
21.22 made through a computer interface system.