ARTICLE 2

AGING SERVICES

Section 1. [144A.141] VOLUNTARY RECEIVERSHIP.

A majority in interest of the controlling persons of a nursing home may at any time request the commissioner of health to assume the operation of the nursing home through appointment of a receiver. Upon receiving a request for a receiver, the commissioner of health may, if the commissioner deems receivership desirable, enter into an agreement with a majority in interest of the controlling persons, providing for the appointment of a receiver to take charge of the facility under conditions deemed appropriate by both parties. The agreement shall specify all terms and conditions of the receivership and shall preserve all rights of the facility residents as granted by law. A receivership initiated in accordance with this section shall terminate at the time specified by the parties or at the time when either party notifies the other in writing that the party wishes to terminate the receivership agreement.

Subd. 6. Indian Native American elders coordinator position. (a) The Minnesota Board on Aging shall create an Indian Native American elders coordinator position and shall hire staff as appropriations permit for the purposes of coordinating efforts with the National Indian Council on Aging and developing a comprehensive statewide Tribal-based service system for Indian Native American elders. An Indian elder is defined for purposes of this subdivision as an Indian enrolled in a band or tribe who is 55 years or older.

(b) For purposes of this subdivision, the following terms have the meanings given:

(1) "Native American elder" means an individual enrolled in a federally recognized Tribe and identified as an elder according to the requirements of the individual's home Tribe; and

(2) "Tribal government" means representatives of each of the 31 federally recognized Native American Tribes located wholly or partially within the boundaries of the state of Minnesota.

(c) The statewide Tribal-based service system must include the following components:

(1) an assessment of the program eligibility, examining the need to change the age-based eligibility criteria to need-based eligibility criteria;

(2) a planning system that would plan to grant, or make recommendations for granting, federal and state funding for statewide Tribal-based Native American programs and services;
69.1 (2) a plan to develop business initiatives involving Tribal members that will qualify for federal- and state-funded elder service contracts;
69.2 (3) a plan for statewide Tribal-based service focal points, senior centers, or community centers for socialization and service accessibility for Indian Native American elders;
69.3 (4) a plan to develop and implement statewide education and public awareness campaigns on cultural diversity, aging, and awareness programs; including awareness programs, sensitivity training, and public education on Indian elder needs, Native American elders;
69.4 (5) a plan for statewide culturally appropriate information and referral services for Native American elders, including legal advice and counseling and trained advocates and an Indian elder newsletter;
69.5 (6) a plan for a coordinated statewide Tribal-based health care system including health promotion, prevention, home services, long-term care services, and health care services;
69.6 (7) a plan for an ongoing research involving Indian elders including needs assessment and needs analysis; collection of significant data on Native American elders, including population, health, socialization, mortality, homelessness, and economic status; and
69.7 (8) a plan to coordinate services with existing organizations, including but not limited to the state of Minnesota, the Council of Minnesota Indian Affairs Council, the Minnesota Indian Council of Elders, the Minnesota Board on Aging, Wisdom Steps, and Minnesota Tribal governments.

Sec. 2. Minnesota Statutes 2022, section 256.9754, is amended to read:

256.9754 COMMUNITY SERVICES DEVELOPMENT LIVE WELL AT HOME GRANTS PROGRAM.

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

(a) "Community" means a town, township, city, or targeted neighborhood within a city, or a consortium of towns, townships, cities, or targeted neighborhoods within cities.

(b) "Core home and community-based services provider" means a Faith in Action, Living at Home/Block Nurse, congregational nurse, or similar community-based program governed by a board, the majority of whose members reside within the program's service area, that organizes and uses volunteers and paid staff to deliver nonmedical services intended to assist older adults to identify and manage risks and to maintain their community living and integration in the community.

(c) "Long-term services and supports" means any service available under the elderly waiver program or alternative care grant programs, nursing facility services, transportation...
services, caregiver support and respite care services, and other home and community-based services identified as necessary either to maintain lifestyle choices for older adults or to support them to remain in their own home.

§ 4. (d) "Older adult services" means any services available under the elderly waiver program or alternative care grant programs; nursing facility services; transportation services; respite services; and other community-based services identified as necessary either to maintain lifestyle choices for older Minnesotans, or to promote independence.

§ 5. (e) "Older adult" refers to individuals 65 years of age and older.

Subd. 2. Creation; purpose. (a) The community services development program is created under the administration of the commissioner of human services.

(b) The purpose of projects selected by the commissioner of human services under this section is to make strategic changes in the long-term services and supports system for older adults and people with dementia, including statewide capacity for local service development and technical assistance and statewide availability of home and community-based services for older adult services, caregiver support and respite care services, and other supports in Minnesota. These projects are intended to create incentives for new and expanded home and community-based services in Minnesota in order to:

(1) reach older adults early in the progression of their need for long-term services and supports, providing them with low-cost, high-impact services that will prevent or delay the use of more costly services;

(2) support older adults to live in the most integrated, least restrictive community setting;

(3) support the informal caregivers of older adults;

(4) develop and implement strategies to integrate long-term services and supports with health care services, in order to improve the quality of care and enhance the quality of life of older adults and their informal caregivers;

(5) ensure cost-effective use of financial and human resources;

(6) build community-based approaches and community commitment to delivering long-term services and supports for older adults in their own homes;

(7) achieve a broad awareness and use of lower-cost in-home services as an alternative to nursing homes and other residential services;

(8) strengthen and develop additional home and community-based services and alternatives to nursing homes and other residential services; and

(9) strengthen programs that use volunteers.

(10) strengthen and develop additional home and community-based services and alternatives to nursing homes and other residential services; and

(11) support the informal caregivers of older adults;

(12) The purpose of projects selected by the commissioner of human services under this section is to make strategic changes in the long-term services and supports system for older adults and people with dementia, including statewide capacity for local service development and technical assistance and statewide availability of home and community-based services for older adult services, caregiver support and respite care services, and other supports in Minnesota. These projects are intended to create incentives for new and expanded home and community-based services in Minnesota in order to:

(1) reach older adults early in the progression of their need for long-term services and supports, providing them with low-cost, high-impact services that will prevent or delay the use of more costly services;

(2) support older adults to live in the most integrated, least restrictive community setting;

(3) support the informal caregivers of older adults;

(4) develop and implement strategies to integrate long-term services and supports with health care services, in order to improve the quality of care and enhance the quality of life of older adults and their informal caregivers;

(5) ensure cost-effective use of financial and human resources;

(6) build community-based approaches and community commitment to delivering long-term services and supports for older adults in their own homes;

(7) achieve a broad awareness and use of lower-cost in-home services as an alternative to nursing homes and other residential services;

(8) strengthen and develop additional home and community-based services and alternatives to nursing homes and other residential services; and

(9) strengthen programs that use volunteers.
(c) The services provided by these projects are available to older adults who are eligible for medical assistance and the elderly waiver under chapter 256S, the alternative care program under section 256B.0913, or the essential community supports grant under section 256B.0922, and to persons who have their own money to pay for services.

Subd. 3. Priority for other grants. The commissioner shall make community services development grants available to communities, providers of older adult services identified in subdivision 1, or a consortium of providers of older adult services to establish older adult services. Grants may be provided for capital and other costs including, but not limited to, start-up and training costs, equipment, and supplies related to older adult services or other residential or service alternatives to nursing facility care. Grants may also be made to renovate current buildings, provide transportation services, and fund programs that would allow older adults or individuals with a disability to stay in their own homes by sharing a home, fund programs that coordinate and manage formal and informal services to older adults in their homes to enable them to live as independently as possible in their own homes as an alternative to nursing home care, or expand state-funded programs in the area.

Subd. 3a. Priority for other grants. The commissioner shall give priority to a grantee selected under subdivision 3 when awarding technology-related grants, if the grantee is using technology as part of the proposal unless that priority conflicts with existing state or federal guidance related to grant awards by the Department of Health. The commissioner of transportation shall give priority to a grantee under subdivision 3 when distributing transportation-related funds to create transportation options for older adults unless that preference conflicts with existing state or federal guidance related to grant awards by the Department of Transportation.

Subd. 3b. State waivers. The commissioner of health may waive applicable state laws and rules for grantees under subdivision 3 on a time-limited basis if the commissioner of health determines that a participating grantee requires a waiver in order to achieve demonstration project goals.

Subd. 3c. Caregiver support and respite care projects. (a) The commissioner shall establish projects to expand the availability of caregiver support and respite care services for family and other caregivers. The commissioner shall use a request for proposals to select nonprofit entities to administer the projects. Projects must:

(1) establish a local coordinated network of volunteer and paid respite workers;
(2) coordinate assignment of respite care services to caregivers of older adults;
(3) assure the health and safety of the older adults;
(4) identify at-risk caregivers;
(5) establish a local coordinated network of volunteer and paid respite workers;
(6) coordinate assignment of respite care services to caregivers of older adults;
(7) assure the health and safety of the older adults;
(8) identify at-risk caregivers;
(9) establish a local coordinated network of volunteer and paid respite workers;
(10) coordinate assignment of respite care services to caregivers of older adults;
(11) assure the health and safety of the older adults;
(12) identify at-risk caregivers;
(13) establish a local coordinated network of volunteer and paid respite workers;
(14) coordinate assignment of respite care services to caregivers of older adults;
(15) assure the health and safety of the older adults;
(16) identify at-risk caregivers;
(17) establish a local coordinated network of volunteer and paid respite workers;
(18) coordinate assignment of respite care services to caregivers of older adults;
(19) assure the health and safety of the older adults;
(20) identify at-risk caregivers;
(5) provide information, education, and training for caregivers in the designated community; and
(6) demonstrate the need in the proposed service area, particularly where nursing facility closures have occurred or are occurring or areas with service needs identified by section 144A.351. Preference must be given for projects that reach underserved populations.

(b) Projects must clearly describe:
(1) how they will achieve their purpose;
(2) the process for recruiting, training, and retraining volunteers; and
(3) a plan to promote the project in the designated community, including outreach to persons needing the services.

c) Money for all projects under this subdivision may be used to:
(1) hire a coordinator to develop a coordinated network of volunteer and paid respite care services and assign workers to clients;
(2) recruit and train volunteer providers;
(3) provide information, training, and education to caregivers;
(4) advertise the availability of the caregiver support and respite care project; and
(5) purchase equipment to maintain a system of assigning workers to clients.

d) Volunteer and caregiver training must include resources on how to support an individual with dementia.

e) Project money may not be used to supplant existing funding sources.

Subd. 3d. Core home and community-based services projects. The commissioner shall select and contract with core home and community-based services providers for projects to provide services and supports to older adults both with and without family and other informal caregivers using a request for proposals process. Projects must:
(1) have a credible public or private nonprofit sponsor providing ongoing financial support;
(2) have a specific, clearly defined geographic service area;
(3) use a practice framework designed to identify high-risk older adults and help them take action to better manage their chronic conditions and maintain their community living;
(4) have a team approach to coordination and care, ensuring that the older adult participants, their families, and the formal and informal providers are all part of planning and providing services;
(5) provide information, education, and training for caregivers in the designated community; and
(6) demonstrate the need in the proposed service area, particularly where nursing facility closures have occurred or are occurring or areas with service needs identified by section 144A.351. Preference must be given for projects that reach underserved populations.

(b) Projects must clearly describe:
(1) how they will achieve their purpose;
(2) the process for recruiting, training, and retraining volunteers; and
(3) a plan to promote the project in the designated community, including outreach to persons needing the services.

c) Money for all projects under this subdivision may be used to:
(1) hire a coordinator to develop a coordinated network of volunteer and paid respite care services and assign workers to clients;
(2) recruit and train volunteer providers;
(3) provide information, training, and education to caregivers;
(4) advertise the availability of the caregiver support and respite care project; and
(5) purchase equipment to maintain a system of assigning workers to clients.

d) Volunteer and caregiver training must include resources on how to support an individual with dementia.

e) Project money may not be used to supplant existing funding sources.
provide information, support services, homemaking services, counseling, and training
for the older adults and family caregivers;
(6) encourage service area or neighborhood residents and local organizations to
collaborate in meeting the needs of older adults in their geographic service areas;
(7) recruit, train, and direct the use of volunteers to provide informal services and other
appropriate support to older adults and their caregivers; and
(8) provide coordination and management of formal and informal services to older adults
and their families using less expensive alternatives.

Subd. 3e. Community service grants. The commissioner shall award contracts for
grants to public and private nonprofit agencies to establish services that strengthen a
community's ability to provide a system of home and community-based services for elderly
persons. The commissioner shall use a request for proposals process.

Subd. 3f. Caregiver respite grant program established.

(1) a community or organization that
has previously received a grant under subdivision 3, except any grants or portion of a grant
for capital or other onetime costs, or subdivisions 3c to 3e, for a project that has proven to
be successful and that is no longer eligible for funding under subdivision 3, 3c, 3d, or 3e
may apply to the commissioner to receive ongoing funding to sustain the project.

Subd. 4. Eligibility. Grants may be awarded only to communities and providers or to a
consortium of providers that have a local match of 50 percent of the costs for the project in
the form of donations, local tax dollars, in-kind donations, fundraising, or other local matches.

Subd. 4a. Grant preference. The commissioner of human services shall give preference
when awarding grants under this section to areas where nursing facility closures have
occurred or are occurring or areas with service needs identified by section 144A.351. The
commissioner may award grants to the extent grant funds are available and to the extent
applications are approved by the commissioner. Denial of approval of an application in one
year does not preclude submission of an application in a subsequent year. The maximum
grant amount is limited to $750,000.

Sec. 3. [256.9756] CAREGIVER RESPITE SERVICES GRANTS.

Subdivision 1. Caregiver respite services grant program established. The commissioner of
human services must establish a caregiver respite services grant program to increase the
availability of respite services for family caregivers of people with dementia and older adults
and to provide information, education, and training to respite caregivers and volunteers
regarding caring for people with dementia. From the money made available for this purpose,
the commissioner must award grants on a competitive basis to respite service providers,
giving priority to areas of the state where there is a high need of respite services.
Subd. 2. Eligible uses. Grant recipients awarded grant money under this section must use a portion of the grant award as determined by the commissioner to provide free or subsidized respite services for family caregivers of people with dementia and older adults.

Subd. 2. Eligible uses. Grant recipients awarded grant money under this section must use a portion of the grant award as determined by the commissioner to provide free or subsidized respite services for family caregivers of people with dementia and older adults.

Subd. 3. Report. By January 15, 2026, the commissioner shall submit a progress report about the caregiver respite services grants in this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over human services. This subdivision expires upon submission of the report. The commissioner shall inform the revisor of statutes when the report is submitted.

Sec. 4. Minnesota Statutes 2022, section 256B.0913, subdivision 4, is amended to read:

Subd. 4. Eligibility for funding for services for nonmedical assistance recipients. (a) Funding for services under the alternative care program is available to persons who meet the following criteria:

1. the person is a citizen of the United States or a United States national;
2. the person has been determined by a community assessment under section 256B.0911 to be a person who would require the level of care provided in a nursing facility, as determined under section 256B.0911, subdivision 26, but for the provision of services under the alternative care program;
3. the person is age 65 or older;
4. the person would be eligible for medical assistance within 135 days of admission to a nursing facility;
5. the person is not ineligible for the payment of long-term care services by the medical assistance program due to an asset transfer penalty under section 256B.0595 or equity interest in the home exceeding $500,000 as stated in section 256B.056;
6. the person needs long-term care services that are not funded through other state or federal funding, or other health insurance or other third-party insurance such as long-term care insurance;
7. except for individuals described in clause (8), the monthly cost of the alternative care services funded by the program for this person does not exceed 75 percent of the monthly limit described under section 256S.18. This monthly limit does not prohibit the alternative care client from payment for additional services, but in no case may the cost of additional services purchased under this section exceed the difference between the client's monthly service limit defined in this paragraph. If care-related supplies and equipment or environmental modifications and adaptations are or will be purchased for an alternative

The progress report must include metrics of the use of grant program money. The progress report must include metrics of the use of grant program money.
care services recipient, the costs may be prorated on a monthly basis for up to 12 consecutive
months beginning with the month of purchase. If the monthly cost of a recipient's other
alternative care services exceeds the monthly limit established in this paragraph, the annual
cost of the alternative care services shall be determined. In this event, the annual cost of
alternative care services shall not exceed 12 times the monthly limit described in this
paragraph;

(8) for individuals assigned a case mix classification A as described under section
256S.18, with (i) no dependencies in activities of daily living, or (ii) up to two dependencies
in bathing, dressing, grooming, walking, and eating when the dependency score in eating
is three or greater as determined by an assessment performed under section 256B.0911, the
monthly cost of alternative care services funded by the program cannot exceed $593 per
month for all new participants enrolled in the program on or after July 1, 2011. This monthly
limit shall be applied to all other participants who meet this criteria at reassessment. This
monthly limit shall be increased annually as described in section 256S.18. This monthly
limit does not prohibit the alternative care client from payment for additional services, but
in no case may the cost of additional services purchased exceed the difference between the
client's monthly service limit defined in this clause and the limit described in clause (7) for
case mix classification A; and

(9) the person is making timely payments of the assessed monthly fee. A person is
ineligible if payment of the fee is over 60 days past due, unless the person agrees to:

(i) the appointment of a representative payee;
(ii) automatic payment from a financial account;
(iii) the establishment of greater family involvement in the financial management of
payments; or
(iv) another method acceptable to the lead agency to ensure prompt fee payments; and

(10) for a person participating in consumer-directed community supports, the person's
monthly service limit must be equal to the monthly service limits in clause (7), except that
a person assigned a case mix classification L must receive the monthly service limit for
case mix classification A;

(b) The lead agency may extend the client's eligibility as necessary while making
arrangements to facilitate payment of past-due amounts and future premium payments.
Following disenrollment due to nonpayment of a monthly fee, eligibility shall not be
reinstated for a period of 30 days;

(c) Alternative care funding under this subdivision is not available for a person who is
a medical assistance recipient or who would be eligible for medical assistance without a
spenddown or waiver obligation. A person whose initial application for medical assistance
and the elderly waiver program is being processed may be served under the alternative care
program for a period up to 60 days. If the individual is found to be eligible for medical
assistance; medical assistance must be billed for services payable under the federally approved elderly waiver plan and delivered from the date the individual was found eligible for the federally approved elderly waiver plan. Notwithstanding this provision, alternative care funds may not be used to pay for any service the cost of which: (i) is payable by medical assistance; (ii) is used by a recipient to meet a waiver obligation; or (iii) is used to pay a medical assistance income spenddown for a person who is eligible to participate in the federally approved elderly waiver program under the special income standard provision.

(d) Alternative care funding is not available for a person who resides in a licensed nursing home, certified boarding care home, hospital, or intermediate care facility, except for case management services which are provided in support of the discharge planning process for a nursing home resident or certified boarding care home resident to assist with a relocation process to a community-based setting.

(e) Alternative care funding is not available for a person whose income is greater than the maintenance needs allowance under section 256S.05, but equal to or less than 120 percent of the federal poverty guideline effective July 1 in the fiscal year for which alternative care eligibility is determined, who would be eligible for the elderly waiver with a waiver obligation.

EFFECTIVE DATE. This section is effective January 1, 2024.

Subd. 5. Services covered under alternative care. Alternative care funding may be used for payment of costs of:

1. adult day services and adult day services bath;
2. home care;
3. homemaker services;
4. personal care;
5. case management and conversion case management;
6. respite care;
7. specialized supplies and equipment;
8. home-delivered meals;
9. nonmedical transportation;
10. nursing services;
11. chore services;
12. companion services;
(13) nutrition services;
(14) family caregiver training and education;
(15) coaching and counseling;
(16) telehome care to provide services in their own homes in conjunction with in-home
visits;
(17) consumer-directed community supports under the alternative care programs which
are available statewide and limited to the average monthly expenditures representative of
all alternative care program participants for the same case resident class assigned in
the most recent fiscal year for which complete expenditure data is available;
(18) environmental accessibility and adaptations; and
(19) discretionary services, for which lead agencies may make payment from their
alternative care program allocation for services not otherwise defined in this section or
under the 1115 waiver demonstration, funding shall be allocated in accordance with
subsection 17.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 4. Minnesota Statutes 2022, section 256B.0917, subdivision 1b, is amended to read:

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

(b) “Community” means a town; township; city; or targeted neighborhood within a city;
or a consortium of townships, cities, or specific neighborhoods within a city.

(c) “Core home and community-based services provider” means a Faith in Action, Living
at Home Block Nurse, Congregational Nurse, or similar community-based program governed
by a board, the majority of whose members reside within the program’s service area, that
organizes and uses volunteers and paid staff to deliver nonmedical services intended to
assist older adults to identify and manage risks and to maintain their community living and
integration in the community.

(d) “Eldercare development partnership” means a team of representatives of county
social service and public health agencies, the area agency on aging, local nursing home
providers, local home care providers, and other appropriate home and community-based
providers in the area agency’s planning and service area.

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

(b) “Community” means a town; township; city; or targeted neighborhood within a city;
or a consortium of townships, cities, or specific neighborhoods within a city.

(c) “Core home and community-based services provider” means a Faith in Action, Living
at Home Block Nurse, Congregational Nurse, or similar community-based program governed
by a board, the majority of whose members reside within the program’s service area, that
organizes and uses volunteers and paid staff to deliver nonmedical services intended to
assist older adults to identify and manage risks and to maintain their community living and
integration in the community.

(d) “Eldercare development partnership” means a team of representatives of county
social service and public health agencies, the area agency on aging, local nursing home
providers, local home care providers, and other appropriate home and community-based
providers in the area agency’s planning and service area.
75.3 "Long-term services and supports" means any service available under the elderly waiver program or alternative care grant programs, nursing facility services, transportation services, caregiver support and respite care services, and other home and community-based services identified as necessary either to maintain lifestyle choices for older adults or to support them to remain in their own home.

(d) "Older adult" refers to an individual who is 65 years of age or older.

Sec. 7. Minnesota Statutes 2022, section 256B.0922, subdivision 1, is amended to read:

Subdivision 1. Essential community supports. (a) The purpose of the essential community supports program is to provide targeted services to persons age 65 and older who need essential community support, but whose needs do not meet the level of care required for nursing facility placement under section 144.0724, subdivision 11.

(b) Essential community supports are available not to exceed $400 to $600 per person per month. Essential community supports may be used as authorized within an authorization period not to exceed 12 months. Services must be available to a person who:

1. is age 65 or older;
2. is not eligible for medical assistance;
3. has received a community assessment under section 256B.0911, subdivisions 17 to 21, 23, 24, or 27, and does not require the level of care provided in a nursing facility;
4. meets the financial eligibility criteria for the alternative care program under section 256B.0913, subdivision 4;
5. has an assessment summary; and
6. has been determined by a community assessment under section 256B.0911, subdivisions 17 to 21, 23, 24, or 27, to be a person who would require provision of at least one of the following services, as defined in the approved elderly waiver plan, in order to maintain their community residence:

(i) adult day services;
(ii) caregiver support, including respite care;
(iii) homemaker support;
(iv) adult companion services;
(v) chores;
(vi) personal emergency response device or system;
(vii) home-delivered meals; or
(viii) community living assistance as defined by the commissioner.
(c) The person receiving any of the essential community supports in this subdivision must also receive service coordination, not to exceed $600 in a 12-month authorization period, as part of their assessment summary.

(d) A person who has been determined to be eligible for essential community supports must be reassessed at least annually and continue to meet the criteria in paragraph (b) to remain eligible for essential community supports.

(e) The commissioner is authorized to use federal matching funds for essential community supports as necessary and to meet demand for essential community supports as outlined in subdivision 2; and that amount of federal funds is appropriated to the commissioner for this purpose.

Sec. 8. Minnesota Statutes 2022, section 256B.434, is amended by adding a subdivision to read:

Subd. 4k. Property rate increase for certain nursing facilities.

(a) A rate increase under this subdivision ends upon the effective date of the transition of the facility's property rate to a property payment rate under section 256R.26, subdivision 8.

(b) The commissioner shall increase the property rate of a nursing facility located in the city of Saint Paul at 1415 Almond Avenue in Ramsey County by $10.65 on September 1, 2023.

(c) The commissioner shall increase the property rate of a nursing facility located in the city of Duluth at 3111 Church Place in St. Louis County by $20.81 on September 1, 2023.

(d) The commissioner shall increase the property rate of a nursing facility located in the city of Chatfield at 1102 Liberty Street SE in Fillmore County by $21.35 on September 1, 2023.

EFFECTIVE DATE. This section is effective September 1, 2023.

Sec. 9. Minnesota Statutes 2022, section 256M.42, is amended to read:

256M.42 ADULT PROTECTION GRANT ALLOCATIONS.

Subdivision 1. Formula.

(a) The commissioner shall allocate state money appropriated under this section on an annual basis to each county board and tribal government approved by the commissioner to assume county agency duties for adult protective services or as a lead investigative agency under section 626.557 on an annual basis in an amount determined and to Tribal Nations that have voluntarily chosen by resolution of Tribal government to participate in vulnerable adult protection programs according to the following formula after the award of the amounts in paragraph (c):

(1) 25 percent must be allocated to the responsible agency on the basis of the number of reports of suspected vulnerable adult maltreatment under sections 626.557 and 626.5572,
when the county or tribe is responsible as determined by the most recent data of the commissioner.

(2) 75 percent must be allocated to the responsible agency on the basis of the number of screened-in reports for adult protective services or vulnerable adult maltreatment investigations under sections 626.557 and 626.5572, when the county or tribe is responsible as determined by the most recent data of the commissioner.

(b) The commissioner is precluded from changing the formula under this subdivision or recommending a change to the legislature without public review and input.

Notwithstanding paragraph (a), the commissioner must not award a county less than a minimum allocation established by the commissioner.

(c) To receive money under this subdivision, a participating Tribal Nation must apply to the commissioner. Of the amount appropriated for purposes of this section, the commissioner must award $100,000 to each federally recognized Tribal Nation that has set vulnerable adult protection measures and standards for money received under this section. Money received by a Tribal Nation under this section must be used for its vulnerable adult protection program.

Subd. 2. Payment. The commissioner shall make allocations for the state fiscal year starting July 1, 2023, and to each county board or Tribal government on or before October 10, 2023. The commissioner shall make allocations under subdivision 1 to each county board or Tribal government each year thereafter on or before July 10.

Subd. 3. Prohibition on supplanting existing money. Purpose of expenditures. Money received under this section must be used for staffing for protection of vulnerable adults or to stop, prevent, and reduce risks of maltreatment for adults accepted for services under section 626.557 or for multidisciplinary teams under section 626.5571. Money must not be used to supplant current county or tribe expenditures for these purposes.

Subd. 4. Required expenditures. State money must be used to expand, not supplant, county or Tribal expenditures for the fiscal year 2023 base for adult protection programs, service interventions, or multidisciplinary teams. This prohibition on county or Tribal expenditures supplanting state money ends July 1, 2023.

Subd. 5. County performance on adult protection measures. The commissioner must set vulnerable adult protection measures and standards for money received under this section.

The commissioner must require an underperforming county to demonstrate that the county designated money allocated under this section for the purpose required and implemented a reasonable strategy to improve adult protection performance, including the provision of a performance improvement plan and additional remedies identified by the commissioner.

The commissioner may redirect up to 20 percent of a county’s money under this section toward the performance improvement plan.
Subd. 6. American Indian adult protection. Tribal Nations shall establish vulnerable adult protection measures and standards and report annually to the commissioner on these outcomes and the number of adults served.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 6. Minnesota Statutes 2022, section 256R.13, subdivision 1, is amended to read:

Subdivision 1. Audit authority. (a) The commissioner shall provide for an audit of the cost and statistical data of nursing facilities participating as vendors of medical assistance.

The commissioner shall select for audit at least 15 percent of the nursing facilities' data reported at random or using factors including, but not limited to: data reported to the public as criteria for rating nursing facilities; data used to set limits for other medical assistance programs or vendors of services to nursing facilities; change in ownership; frequent changes in administration in excess of normal turnover rates; complaints to the commissioner of health about care, safety, or rights; where previous inspections or reinspections under section 144A.10 have resulted in correction orders related to care, safety, or rights; or where persons involved in ownership or administration of the facility have been indicted for alleged criminal activity.

(b) The commissioner shall meet the 15 percent requirement by either conducting an audit focused on an individual nursing facility, a group of facilities, or targeting specific data categories in multiple nursing facilities. These audits may be conducted on site at the nursing facility, at office space used by a nursing facility or a nursing facility's parent organization, or at the commissioner's office. Data being audited may be collected electronically, in person, or by any other means the commissioner finds acceptable.

EFFECTIVE DATE. This section is effective July 1, 2023.
Sec. 11. Minnesota Statutes 2022, section 256R.17, subdivision 2, is amended to read:

Subd. 2. Case mix indices. (a) The commissioner shall assign a case mix index to each case mix classification based on the Centers for Medicare and Medicaid Services staff time measurement study as determined by the commissioner of health under section 144.0724.

(b) An index maximization approach shall be used to classify residents. "Index maximization" has the meaning given in section 144.0724, subdivision 2, paragraph (c).

Sec. 12. Minnesota Statutes 2022, section 256R.25, is amended to read:

256R.25 EXTERNAL FIXED COSTS PAYMENT RATE.

(a) The payment rate for external fixed costs is the sum of the amounts in paragraphs (b) to (o).

(b) For a facility licensed as a nursing home, the portion related to the provider surcharge under section 256.9657 is equal to $8.86 per resident day. For a facility licensed as both a nursing home and a boarding care home, the portion related to the provider surcharge under section 256.9657 is equal to $8.86 per resident day multiplied by the result of its number of nursing home beds divided by its total number of licensed beds.

(c) The portion related to the licensure fee under section 144A.122, paragraph (d), is the amount of the fee divided by the sum of the facility's resident days.

(d) The portion related to development and education of resident and family advisory councils under section 144A.33 is $5 per resident day divided by 365.

(e) The portion related to scholarships is determined under section 144.0724 based on the Centers for Medicare and Medicaid Services staff time measurement study.

(f) The portion related to planned closure rate adjustments is as determined under section 256R.37.

Sec. 7. Minnesota Statutes 2022, section 256R.17, subdivision 2, is amended to read:

(a) The commissioner shall assign a case mix index to each case mix classification based on the Centers for Medicare and Medicaid Services staff time measurement study as determined by the commissioner of health under section 144.0724.

(b) An index maximization approach shall be used to classify residents. "Index maximization" has the meaning given in section 144.0724, subdivision 2, paragraph (c).

Sec. 8. Minnesota Statutes 2022, section 256R.25, is amended to read:

256R.25 EXTERNAL FIXED COSTS PAYMENT RATE.

(a) The payment rate for external fixed costs is the sum of the amounts in paragraphs (b) to (o).

(b) For a facility licensed as a nursing home, the portion related to the provider surcharge under section 256.9657 is equal to $8.86 per resident day. For a facility licensed as both a nursing home and a boarding care home, the portion related to the provider surcharge under section 256.9657 is equal to $8.86 per resident day multiplied by the result of its number of nursing home beds divided by its total number of licensed beds.

(c) The portion related to the licensure fee under section 144A.122, paragraph (d), is the amount of the fee divided by the sum of the facility's resident days.

(d) The portion related to development and education of resident and family advisory councils under section 144A.33 is $5 per resident day divided by 365.

(e) The portion related to scholarships is determined under section 144.0724 based on the Centers for Medicare and Medicaid Services staff time measurement study.

(f) The portion related to planned closure rate adjustments is as determined under section 256R.37.

House Language UES2934-2

April 27, 2023 06:22 PM

REVISOR FULL-TEXT SIDE-BY-SIDE
township and county for fire, police, sanitation services, and road maintenance costs had
determined under section 256R.38.

(a) The commissioner, in consultation with the commissioner of health, may designate
payment above a facility's operating payment rate as determined to be necessary by the
commissioner to maintain access to nursing

to preserve access to nursing facility services in isolated areas, rebalance long-term care,

The commissioner, in consultation with the commissioner of health, and with input from stakeholders, shall develop criteria designed
through a memorandum of understanding. Supplemental payments to facilities under this

This section is effective July 1, 2023.

Proposals must be submitted in the form and according to the timelines established by the
city facilities' facility-specific
distribution of designations across the state.

The commissioner shall allow the benefits in clauses (1) to (5) For nursing facilities
designated as critical access nursing facilities, the commissioner shall allow a supplemental
payment above a facility's operating payment rate as determined to be necessary by the
commissioner to maintain access to nursing facility services in isolated areas identified in
paragrapg (b). The commissioner must approve the amounts of supplemental payments
through a memorandum of understanding. Supplemental payments to facilities under this

REAL ESTATE TAXES.

The real estate taxes levied on that property for those purposes.

The portion related to employer health insurance costs is the allowable costs divided
by the sum of the facility's resident days.

The portion related to the Public Employees Retirement Association is the allowable
costs divided by the sum of the facility's resident days.

The portion related to quality improvement incentive payment rate adjustments is
the amount determined under section 256R.39.

The portion related to performance-based incentive payments is the amount
determined under section 256R.38.

The portion related to special dietary needs is the amount determined under section
256R.51.

The portion related to the rate adjustments for border city facilities' facility-specific
rate modifications is the amount determined under section 256R.481.

The portion related to the rate adjustment for critical access nursing facilities is the
amount determined under section 256R.47.

The portion related to the rate adjustments for border city facilities is the amount
determined under section 256R.481.

The portion related to the rate adjustment for critical access nursing facilities is the
amount determined under section 256R.47.

Sec. 13. Minnesota Statutes 2022, section 256R.47, is amended to read:

256R.47 RATE ADJUSTMENT FOR CRITICAL ACCESS NURSING
FACILITIES.

(a) The commissioner, in consultation with the commissioner of health, may designate
certain nursing facilities as critical access nursing facilities. The designation shall be granted
on a competitive basis, within the limits of funds appropriated for this purpose.

(b) The commissioner shall request proposals from nursing facilities every two years.
Proposals must be submitted in the form and according to the timelines established by the
commissioner. In selecting applicants to designate, the commissioner, in consultation with
the commissioner of health, and with input from stakeholders, shall develop criteria designed
to preserve access to nursing facility services in isolated areas, rebalance long-term care,
and improve quality. To the extent practicable, the commissioner shall ensure an even
distribution of designations across the state.

(c) The commissioner shall allow the benefits in clauses (1) to (5) For nursing facilities
designated as critical access nursing facilities, the commissioner shall allow a supplemental
payment above a facility's operating payment rate as determined to be necessary by the
commissioner to maintain access to nursing facility services in isolated areas identified in
paragraph (b). The commissioner must approve the amounts of supplemental payments
through a memorandum of understanding. Supplemental payments to facilities under this

REAL ESTATE TAXES.

The real estate taxes levied on that property for those purposes.

The portion related to employer health insurance costs is the allowable costs divided
by the sum of the facility's resident days.

The portion related to the Public Employees Retirement Association is the allowable
costs divided by the sum of the facility's resident days.

The portion related to quality improvement incentive payment rate adjustments is
the amount determined under section 256R.39.

The portion related to performance-based incentive payments is the amount
determined under section 256R.38.

The portion related to special dietary needs is the amount determined under section
256R.51.

The portion related to the rate adjustments for border city facilities' facility-specific
rate modifications is the amount determined under section 256R.481.

The portion related to the rate adjustment for critical access nursing facilities is the
amount determined under section 256R.47.

The portion related to the rate adjustments for border city facilities is the amount
determined under section 256R.481.

The portion related to the rate adjustment for critical access nursing facilities is the
amount determined under section 256R.47.

Sec. 9. Minnesota Statutes 2022, section 256R.47, is amended to read:

256R.47 RATE ADJUSTMENT FOR CRITICAL ACCESS NURSING
FACILITIES.

(a) The commissioner, in consultation with the commissioner of health, may designate
certain nursing facilities as critical access nursing facilities. The designation shall be granted
on a competitive basis, within the limits of funds appropriated for this purpose.

(b) The commissioner shall request proposals from nursing facilities every two years.
Proposals must be submitted in the form and according to the timelines established by the
commissioner. In selecting applicants to designate, the commissioner, in consultation with
the commissioner of health, and with input from stakeholders, shall develop criteria designed
to preserve access to nursing facility services in isolated areas, rebalance long-term care,
and improve quality. To the extent practicable, the commissioner shall ensure an even
distribution of designations across the state.

(c) The commissioner shall allow the benefits in clauses (1) to (5) For nursing facilities
designated as critical access nursing facilities, the commissioner shall allow a supplemental
payment above a facility's operating payment rate as determined to be necessary by the
commissioner to maintain access to nursing facility services in isolated areas identified in
paragraph (b). The commissioner must approve the amounts of supplemental payments
through a memorandum of understanding. Supplemental payments to facilities under this
section must be in the form of time-limited rate adjustments included in the external fixed
payment rate under section 256R.25.
(1) partial rebasing, with the commissioner allowing a designated facility operating
payment rates being the sum of up to 60 percent of the operating payment rate determined
in accordance with section 256R.21, subdivision 1, and at least 40 percent, with the sum of
the two portions being equal to 100 percent, of the operating payment rate that would have
been allowed had the facility not been designated. The commissioner may adjust these
percentages by up to 20 percent and may approve a request for less than the amount allowed;
(2) enhanced payments for leave days. Notwithstanding section 256R.43, upon
designation as a critical access nursing facility, the commissioner shall limit payment for
leave days to 60 percent of that nursing facility’s total payment rate for the involved resident,
and shall allow this payment only when the occupancy of the nursing facility, inclusive of
bed hold days, is equal to or greater than 90 percent;
(2) two designated critical access nursing facilities, with up to 100 beds in active service,
may jointly apply to the commissioner of health for a waiver of Minnesota Rules, part
4658.0040; subpart 2, in order to jointly employ a director of nursing. The commissioner
of health shall consider each waiver request independently based on the criteria under
Minnesota Rules, part 4658.0040;
(4) the minimum threshold under section 256R.21, subdivision 15, paragraph (e), shall
be 40 percent of the amount that would otherwise apply; and
(4) the quality-based rate limits under section 256R.23, subdivisions 5 to 7, apply to
designated critical access nursing facilities.
(d) Designation of a critical access nursing facility is for a maximum period of up to
two years, after which the benefits allowed under paragraph (c) shall be removed.
Designated facilities may apply for continued designation.
(e) This section is suspended and no state or federal funding shall be appropriated or
allocated for the purposes of this section from January 1, 2016, to December 31, 2019.
(f) The memorandum of understanding required by paragraph (c) must state that the
designation of a critical access nursing facility must be removed if the facility undergoes a
change of ownership as defined in section 144A.06, subdivision 2.

EFFECTIVE DATE: This section is effective July 1, 2023.
Sec. 14. Minnesota Statutes 2022, section 256R.481, is amended to read:

256R.481 FACILITY-SPECIFIC RATE ADJUSTMENTS FOR BORDER CITY
FACILITIES MODIFICATIONS;

Subdivision 1. Border city facilities. (a) The commissioner shall allow each nonprofit
nursing facility located within the boundaries of the city of Breckenridge or Moorhead prior
costs payment rate under section 256R.25.
(1) partial rebasing, with the commissioner allowing a designated facility operating
payment rates being the sum of up to 60 percent of the operating payment rate determined
in accordance with section 256R.21, subdivision 1, and at least 40 percent, with the sum of
the two portions being equal to 100 percent, of the operating payment rate that would have
been allowed had the facility not been designated. The commissioner may adjust these
percentages by up to 20 percent and may approve a request for less than the amount allowed;
(2) enhanced payments for leave days. Notwithstanding section 256R.43, upon
designation as a critical access nursing facility, the commissioner shall limit payment for
leave days to 60 percent of that nursing facility’s total payment rate for the involved resident,
and shall allow this payment only when the occupancy of the nursing facility, inclusive of
bed hold days, is equal to or greater than 90 percent;
(2) two designated critical access nursing facilities, with up to 100 beds in active service,
may jointly apply to the commissioner of health for a waiver of Minnesota Rules, part
4658.0040; subpart 2, in order to jointly employ a director of nursing. The commissioner
of health shall consider each waiver request independently based on the criteria under
Minnesota Rules, part 4658.0040;
(4) the minimum threshold under section 256R.21, subdivision 15, paragraph (e), shall
be 40 percent of the amount that would otherwise apply; and
(4) the quality-based rate limits under section 256R.23, subdivisions 5 to 7, apply to
designated critical access nursing facilities.
(d) Designation of a critical access nursing facility is for a maximum period of up to
two years, after which the benefits allowed under paragraph (c) shall be removed.
Designated facilities may apply for continued designation.
(e) This section is suspended and no state or federal funding shall be appropriated or
allocated for the purposes of this section from January 1, 2016, to December 31, 2019.
(f) The memorandum of understanding required by paragraph (c) must state that the
designation of a critical access nursing facility must be removed if the facility undergoes a
change of ownership as defined in section 144A.06, subdivision 2.
to January 1, 2015, to apply once annually for a rate add-on to the facility's external fixed costs payment rate.

(b) A facility seeking an add-on to its external fixed costs payment rate under this section must apply annually to the commissioner to receive the add-on. A facility must submit the application within 60 calendar days of the effective date of any add-on under this section.

The commissioner may waive the deadlines required by this paragraph under extraordinary circumstances.

(c) The commissioner shall provide the add-on to each eligible facility that applies by the application deadline.

(d) The add-on to the external fixed costs payment rate is the difference on January 1 of the median total payment rate for case mix classification PA1 of the nonprofit facilities located in an adjacent city in another state and in cities contiguous to the adjacent city minus the eligible nursing facility's total payment rate for case mix classification PA1 as determined under section 256R.22, subdivision 8.

Subd. 2. Nursing facility in Chisholm; temporary rate add-on. Effective July 1, 2023, through December 31, 2027, the commissioner shall provide an external fixed rate add-on for the nursing facility in the city of Chisholm in the amount of $11.81. If this nursing facility completes a moratorium exception project that is approved after March 27, 2023, this subdivision expires the day before the effective date of that moratorium rate adjustment or December 31, 2027, whichever is earlier. The commissioner of human services shall notify the revisor of statutes if this subdivision expires prior to December 31, 2027.

EFFECTIVE DATE. This section is effective July 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 15. Minnesota Statutes 2022, section 256R.53, is amended by adding a subdivision to read:

Subd. 3. Nursing facility in Fergus Falls. Notwithstanding sections 256B.431, 256B.434, and 256R.26, subdivision 9, a nursing facility located in the city of Fergus Falls licensed for 105 beds on September 1, 2021, must have the property portion of its total payment rate determined according to sections 256R.26 to 256R.267.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 16. Minnesota Statutes 2022, section 256R.53, is amended by adding a subdivision to read:

Subd. 4. Nursing facility in Red Wing. The operating payment rate for a facility located in the city of Red Wing at 1412 West 4th Street is the sum of its direct care costs per standardized day, its other care-related costs per resident day, and its other operating costs per day.
This subdivision expires June 30, 2025.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 17. Minnesota Statutes 2022, section 256S.15, subdivision 2, is amended to read:

Subd. 2. Foster care limit. The elderly waiver payment for the foster care service in combination with the payment for all other elderly waiver services, including case management, must not exceed the monthly case mix budget cap for the participant as specified in sections 256S.18, subdivision 3, and 256S.19, subdivision 3.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 18. Minnesota Statutes 2022, section 256S.18, is amended by adding a subdivision to read:

Subd. 3a. Monthly case mix budget caps for consumer-directed community supports. The monthly case mix budget caps for each case mix classification for consumer-directed community supports must be equal to the monthly case mix budget caps in subdivision 3.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 19. Minnesota Statutes 2022, section 256S.19, subdivision 3, is amended to read:

Subd. 3. Calculation of monthly conversion budget cap without consumer-directed community supports. (a) The elderly waiver monthly conversion budget cap for the cost of elderly waiver services without consumer-directed community supports must be based on the nursing facility case mix adjusted total payment rate of the nursing facility where the elderly waiver applicant currently resides for the applicant's case mix classification as determined according to section 256R.17.

(b) The elderly waiver monthly conversion budget cap for the cost of elderly waiver services without consumer-directed community supports shall be calculated by multiplying the applicable nursing facility case mix adjusted total payment rate by 365, dividing by 12, and subtracting the participant's maintenance needs allowance.

(c) A participant's initially approved monthly conversion budget cap for elderly waiver services without consumer-directed community supports shall be adjusted at least annually as described in section 256S.18, subdivision 5.

(d) Conversion budget caps for individuals participating in consumer-directed community supports must be set as described in paragraphs (a) to (c).

EFFECTIVE DATE. This section is effective January 1, 2024.
Sec. 20. Minnesota Statutes 2022, section 256S.203, subdivision 1, is amended to read:

Subdivision 1. Capitation payments. The commissioner must adjust the elderly waiver capitation payment rates for managed care organizations paid to reflect the monthly service rate limits for customized living services and 24-hour customized living services established under section 256S.202 and the rate adjustments for disproportionate share facilities under section 256S.205, and the assisted living facility closure payments under section 256S.206.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 21. Minnesota Statutes 2022, section 256S.203, subdivision 2, is amended to read:

Subd. 2. Reimbursement rates. Medical assistance rates paid to customized living providers by managed care organizations under this chapter must not exceed the monthly service rate limits and component rates as determined by the commissioner under sections 256S.15 and 256S.20 to 256S.202, plus any rate adjustment or special payment under section 256S.205 or 256S.206.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 22. Minnesota Statutes 2022, section 256S.205, subdivision 3, is amended to read:

Subd. 3. Rate adjustment eligibility criteria. Only facilities satisfying all of the following conditions on September 1 of the application year are eligible for designation as a disproportionate share facility:

(1) at least 80 percent of the residents of the facility are customized living residents; and
(2) at least 50 percent of the customized living residents are elderly waiver participants.

EFFECTIVE DATE. This section is effective July 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 23. Minnesota Statutes 2022, section 256S.205, subdivision 5, is amended to read:

Subd. 5. Rate adjustment; rate floor. (a) Notwithstanding the 24-hour customized living monthly service rate limits under section 256S.202, subdivision 2, and the component service rates established under section 256S.201, subdivision 4, the commissioner must establish a rate floor equal to $139 per resident per day for 24-hour customized living services provided to an elderly waiver participant in a designated disproportionate share facility.
(b) The commissioner must apply the rate floor to the services described in paragraph
(a) provided during the rate year.
(c) The commissioner must adjust the rate floor by the same amount and at the same
time as any adjustment to the 24-hour customized living monthly service rate limits under
section 256S.202, subdivision 2.
(d) The commissioner shall not implement the rate floor under this section if the
customized living rates established under sections 256S.21 to 256S.215 will be implemented
at 100 percent on January 1 of the year following an application year.

**EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval,
whichever is later. The commissioner of human services shall notify the revisor of statutes
when federal approval is obtained.

Sec. 24. [256S.206] ASSISTED LIVING FACILITY CLOSURE PAYMENTS.
Subdivision 1. Assisted living facility closure payments provided. The commissioner
of human services shall establish a special payment program to support licensed assisted
living facilities who serve waiver participants under section 256B.49 and chapter 256S
when the assisted living facility is acting to close the facility as outlined in section 144G.57.
The payments must support the facility to meet the health and safety needs of residents
during facility occupancy and revenue decline.

Subd. 2. Definitions. (a) For the purposes of this section, the terms in this subdivision
have the meanings given.
(b) "Closure period" means the number of days in the approved closure plan for the
eligible facility as determined by the commissioner of health under section 144G.57, not to
exceed 60 calendar days.
(c) "Eligible claim" means a claim for customized living services and 24-hour customized
living services provided to waiver participants under section 256B.49 and chapter 256S
during the eligible facility's closure period.
(d) "Eligible facility" means a licensed assisted living facility that has an approved
closure plan, as determined by the commissioner of health under section 144G.57, that is
acting to close the facility and no longer serve residents in that setting. A facility where a
provider is relinquishing an assisted living facility license to transition to a different license
type is not an eligible facility.

Subd. 3. Application. (a) An eligible facility may apply to the commissioner of human
services for assisted living closure transition payments in the manner prescribed by the
commissioner.
(b) The commissioner shall notify the facility within 14 calendars days of the facility's application about the result of the application, including whether the facility meets the definition of an eligible facility.

Subd. 4. Issuing closure payments. (a) The commissioner must increase the payment for eligible claims by 50 percent during the eligible facility's closure period.

(b) The commissioner must direct managed care organizations to increase the payment for eligible claims by 50 percent during the eligible facility's closure period for eligible claims submitted to managed care organizations.

Subd. 5. Interagency coordination. The commissioner of human services must coordinate the activities under this section with any impacted state agencies and lead agencies.

EFFECTIVE DATE. This section is effective July 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 25. Minnesota Statutes 2022, section 256S.21, is amended to read:

256S.21 RATE SETTING; APPLICATION; EVALUATION.

Subdivision 1. Application of rate setting. The payment rate methodologies in sections 256S.2101 to 256S.215 apply to:

(1) elderly waiver, elderly waiver customized living, and elderly waiver foster care under this chapter;

(2) alternative care under section 256B.0913;

(3) essential community supports under section 256B.0922; and

(4) community access for disability inclusion customized living and brain injury customized living under section 256B.49.

Subd. 2. Evaluation of rate setting. (a) Beginning January 1, 2024, and every two years thereafter, the commissioner, in consultation with stakeholders, shall use all available data and resources to evaluate the following rate setting elements:

(1) the base wage index;

(2) the factors and supervision wage components; and

(3) the formulas to calculate adjusted base wages and rates.

(b) Beginning January 15, 2026, and every two years thereafter, the commissioner shall report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services finance and policy with a full report on the information and data gathered under paragraph (a).
Subd. 3. **Cost reporting.** (a) As determined by the commissioner, in consultation with stakeholders, a provider enrolled to provide services with rates determined under this chapter must submit requested cost data to the commissioner to support evaluation of the rate methodologies in this chapter. Requested cost data may include but are not limited to:

1. worker wage costs;
2. benefits paid;
3. supervisor wage costs;
4. executive wage costs;
5. vacation, sick, and training time paid;
6. taxes, workers' compensation, and unemployment insurance costs paid;
7. administrative costs paid;
8. program costs paid;
9. transportation costs paid;
10. vacancy rates; and
11. other data relating to costs required to provide services requested by the commissioner.

(b) At least once in any five-year period, a provider must submit cost data for a fiscal year that ended not more than 18 months prior to the submission date. The commissioner shall provide each provider a 90-day notice prior to the provider's submission due date. If by 30 days after the required submission date a provider fails to submit required reporting data, the commissioner shall provide notice to the provider, and if by 60 days after the required submission date a provider has not provided the required data, the commissioner shall provide a second notice. The commissioner shall temporarily suspend payments to the provider if cost data is not received 90 days after the required submission date. Withheld payments must be made once data is received by the commissioner.

(c) The commissioner shall coordinate the cost reporting activities required under this section with the cost reporting activities directed under section 256B.4914, subdivision 10a.

(d) The commissioner shall analyze cost documentation in paragraph (a) and, in consultation with stakeholders, may submit recommendations on rate methodologies in this chapter, including ways to monitor and enforce the spending requirements directed in section 256S.2101, subdivision 3, through the reports directed by subdivision 2.

**EFFECTIVE DATE.** Subdivisions 1 and 2 are effective January 1, 2024. Subdivision 3 is effective January 1, 2025.
Sec. 26. Minnesota Statutes 2022, section 256S.2101; subdivision 2, is amended to read:

Subd. 2. Phase-in for elderly waiver rates. Except for home-delivered meals as described in section 256S.215, subdivision 15 and the services in subdivision 2a, all rates and rate components for elderly waiver, elderly waiver customized living, and elderly waiver foster care under this chapter; alternative care under section 256B.0913; and essential community supports under section 256B.0922 shall be:

(1) beginning January 1, 2024, the sum of 27.8 percent of the rates calculated under sections 256S.211 to 256S.215, and 72.2 percent of the rates calculated using the rate methodology in effect as of June 30, 2017. The rate for home-delivered meals shall be the sum of the service rate in effect as of January 1, 2019, and the increases described in section 256S.215, subdivision 15; and

(2) beginning January 1, 2026, the sum of 25 percent of the rates calculated under sections 256S.211 to 256S.215, and 75 percent of the rates calculated using the rate methodology in effect as of June 30, 2017.

Sec. 27. Minnesota Statutes 2022, section 256S.2101, is amended by adding a subdivision to read:

Subd. 2a. Service rates exempt from phase-in. Subdivision 2 does not apply to rates for homemaker services described in section 256S.215, subdivisions 9 to 11.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 28. Minnesota Statutes 2022, section 256S.2101, is amended by adding a subdivision to read:

Subd. 3. Spending requirements. (a) Except for community access for disability inclusion customized living and brain injury customized living under section 256B.49, at least 80 percent of the marginal increase in revenue from the implementation of any adjustments to the phase-in in subdivision 2, or any updates to services rates directed under section 256S.211, subdivision 3, must be used to increase compensation-related costs for employees directly employed by the provider.

(b) For the purposes of this subdivision, compensation-related costs include:

(1) wages and salaries;

(2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, and mileage reimbursement;

(3) the employer's paid share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, pensions, and contributions to employee retirement accounts; and
benefits that address direct support professional workforce needs above and beyond what employees were offered prior to the implementation of the adjusted phase-in in subdivision 2, including any concurrent or subsequent adjustments to the base wage indices.

(c) Compensation-related costs for persons employed in the central office of a corporation or entity that has an ownership interest in the provider or exercises control over the provider, or for persons paid by the provider under a management contract, do not count toward the 80 percent requirement under this subdivision.

(d) A provider agency or individual provider that receives additional revenue subject to the requirements of this subdivision shall prepare, and upon request submit to the commissioner, a distribution plan that specifies the amount of money the provider expects to receive that is subject to the requirements of this subdivision, including how that money was or will be distributed to increase compensation-related costs for employees. Within 60 days of final implementation of the new phase-in proportion or adjustment to the base wage indices subject to the requirements of this subdivision, the provider must post the distribution plan and leave it posted for a period of at least six months in an area of the provider's operation to which all direct support professionals have access. The posted distribution plan must include instructions regarding how to contact the commissioner, or the commissioner's representative, if an employee has not received the compensation-related increase described in the plan.

Sec. 11. Minnesota Statutes 2022, section 256S.211, is amended to read:

256S.211 RATE SETTING; RATE ESTABLISHMENT; UPDATING RATES; EVALUATION; COST REPORTING.

Subdivision 1. Establishing base wages. When establishing the base wages according to section 256S.212, the commissioner shall use standard occupational classification (SOC) codes from the Bureau of Labor Statistics as defined in the edition of the Occupational Handbook published immediately prior to January 1, 2019, using Minnesota-specific wages taken from job descriptions.

Subd. 2. Establishing updating rates. By January 1 of each year, the commissioner shall establish factors, update component rates, and rates effective January 1, 2024, according to sections 256S.213 and 256S.212 to 256S.215; using the factor and base wages established according to section 256S.214, values the commissioner used to establish rates effective January 1, 2019.

Subd. 3. Spending requirements. (a) Except for community access for disability inclusion customized living and brain injury customized living under section 256B.49; at least 80 percent of the marginal increase in revenue from the implementation of any rate adjustments under this section must be used to increase compensation-related costs for employees directly employed by the provider.
(b) For the purposes of this subdivision, compensation-related costs include:

1. Wages and salaries;
2. The employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, and mileage reimbursement;
3. The employer's paid share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, pensions, and contributions to employee retirement accounts; and
4. Benefits that address direct support professional workforce needs above and beyond what employees were offered prior to the implementation of any rate adjustments under this section, including any concurrent or subsequent adjustments to the base wage indices.

(c) Compensation-related costs for persons employed in the central office of a corporation or entity that has an ownership interest in the provider or exercises control over the provider, or for persons paid by the provider under a management contract, do not count toward the 80 percent requirement under this subdivision.

(d) A provider agency or individual provider that receives additional revenue subject to the requirements of this subdivision shall prepare, and upon request submit to the commissioner, a distribution plan that specifies the amount of money the provider expects to receive that is subject to the requirements of this subdivision, including how that money was or will be distributed to increase compensation-related costs for employees. Within 60 days of final implementation of the new phase-in proportion or adjustment to the base wage indices subject to the requirements of this subdivision, the provider must post the distribution plan and leave it posted for a period of at least six months in an area of the provider's operation to which all employees have access. The posted distribution plan must include instructions regarding how to contact the commissioner, or the commissioner's representative, if an employee has not received the compensation-related increase described in the plan.

Subd. 4. Evaluation of rate setting. (a) Beginning January 1, 2024, and every two years thereafter, the commissioner, in consultation with stakeholders, shall use all available data and resources to evaluate the following rate setting elements:

1. The base wage index;
2. The factors and supervision wage components; and
3. The formulas to calculate adjusted base wages and rates; and

(b) Beginning January 15, 2026, and every two years thereafter, the commissioner shall report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services finance and policy with a full report on the information and data gathered under paragraph (a).
Subd. 5. Cost reporting.  
(a) As determined by the commissioner, in consultation with stakeholders, a provider enrolled to provide services with rates determined under this chapter must submit requested cost data to the commissioner to support evaluation of the rate methodologies in this chapter. Requested cost data may include but is not limited to:

1. worker wage costs;
2. benefits paid;
3. supervisor wage costs;
4. executive wage costs;
5. vacation, sick, and training time paid;
6. taxes, workers’ compensation, and unemployment insurance costs paid;
7. administrative costs paid;
8. program costs paid;
9. transportation costs paid;
10. vacancy rates; and
11. other data relating to costs required to provide services requested by the commissioner.

(b) At least once in any five-year period, a provider must submit cost data for a fiscal year that ended not more than 18 months prior to the submission date. The commissioner shall provide each provider a 90-day notice prior to the provider’s submission due date. If by 30 days after the required submission date a provider fails to submit required reporting data, the commissioner shall provide notice to the provider, and if by 60 days after the required submission date a provider has not provided the required data the commissioner shall provide a second notice. The commissioner shall temporarily suspend payments to the provider if cost data are not received 90 days after the required submission date. Withheld payments must be made once data is received by the commissioner.

(c) The commissioner shall coordinate the cost reporting activities required under this section with the cost reporting activities directed under section 256B.4914, subdivision 10a.

(d) The commissioner shall analyze cost documentation in paragraph (a) and, in consultation with stakeholders, may submit recommendations on rate methodologies in this chapter, including ways to monitor and enforce the spending requirements directed in subdivision 3, through the reports directed by subdivision 4.

EFFECTIVE DATE: Subdivisions 2 to 4 are effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained. Subdivision 5 is effective January 1, 2025.
Sec. 29. Minnesota Statutes 2022, section 256S.211, is amended by adding a subdivision to read:

Subd. 3. Updating services rates. On January 1, 2024, and every two years thereafter, the commissioner shall recalculate rates for services as directed in section 256S.215. Prior to recalculation of the rates, the commissioner shall:

(1) update the base wage index for services in section 256S.212 based on the most recently available Bureau of Labor Statistics Minneapolis-St. Paul-Bloomington, MN-WI MetroSA data;

(2) update the payroll taxes and benefits factor in section 256S.213, subdivision 1, based on the most recently available nursing facility cost report data;

(3) update the supervision wage components in section 256S.213, subdivisions 4 and 5, based on the most recently available Bureau of Labor Statistics Minneapolis-St. Paul-Bloomington, MN-WI MetroSA data; and

(4) update the adjusted base wage for services as directed in section 256S.214.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 30. Minnesota Statutes 2022, section 256S.211, is amended by adding a subdivision to read:

Subd. 4. Updating home-delivered meals rate. On January 1 of each year, the commissioner shall update the home-delivered meals rate in section 256S.215, subdivision 15, by the percent increase in the nursing facility dietary per diem using the two most recently available nursing facility cost reports.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 31. Minnesota Statutes 2022, section 256S.212, is amended to read:

256S.212 RATE SETTING; BASE WAGE INDEX.

Subdivision 1. Updating SOC codes. If any of the SOC codes and positions used in this section are no longer available, the commissioner shall, in consultation with stakeholders, select a new SOC code and position that is the closest match to the previously used SOC position.

Subd. 2. Home management and support services base wage. For customized living, foster care, and residential-care component services, the home management and support services base wage equals 33.33 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal and home care aide (SOC code 39-9021); 33.33 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for food preparation workers (SOC code 35-2021); and 33.34 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).
Subd. 3. Home care aide base wage. For customized living and foster care and residential care component services, the home care aide base wage equals 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal care aides (SOC code 31-1120); and 25 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code 31-1131).

Subd. 4. Home health aide base wage. For customized living and foster care and residential care component services, the home health aide base wage equals 33.33 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed vocational nurses (SOC code 29-2061); and 80 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code 31-1131); and 33.34 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal care aides (SOC code 31-1120).

Subd. 5. Medication setups by licensed nurse base wage. For customized living and foster care and residential care component services, the medication setups by licensed nurse base wage equals 25 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed vocational nurses (SOC code 29-2061); and 90 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for registered nurses (SOC code 29-1141).

Subd. 6. Chore services base wage. The chore services base wage equals 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for landscaping and groundskeeping workers (SOC code 37-3011); and 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).

Subd. 7. Companion services base wage. The companion services base wage equals 80 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal care aides (SOC code 31-1120); and 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).

Subd. 8. Homemaker services and assistance with personal care base wage. The homemaker services and assistance with personal care base wage equals 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal care aides (SOC code 31-1120); and 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code 31-1131); and 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).

Subd. 9. Homemaker services and cleaning base wage. The homemaker services and cleaning base wage equals 60 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for personal and home care aides (SOC code 39-9021); 20 percent
of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code 21-1014); and 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).

Subd. 10. Homemaker services and home management base wage. The homemaker services and home management base wage equals 60 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal care aides (SOC code 31-1014); 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code 31-1014); and 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).

Subd. 11. In-home respite care services base wage. The in-home respite care services base wage equals five percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for registered nurses (SOC code 29-1141); 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants and personal care aides (SOC code 21-1014 31-1120); and 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed vocational nurses (SOC code 29-2061).

Subd. 12. Out-of-home respite care services base wage. The out-of-home respite care services base wage equals five percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for registered nurses (SOC code 29-1141); 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants and personal care aides (SOC code 21-1014 31-1120); and 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed vocational nurses (SOC code 29-2061).

Subd. 13. Individual community living support base wage. The individual community living support base wage equals 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed vocational nurses; social and human services assistants (SOC code 29-2061 21-1093); and 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code 21-1014 31-1131).


Subd. 16. Adult day services base wage. The adult day services base wage equals 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health and personal care aides (SOC code 31-1014).
EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 32. Minnesota Statutes 2022, section 256S.213, is amended to read:

256S.213 RATE SETTING; FACTORS.

Subdivision 1. Payroll taxes and benefits factor. The payroll taxes and benefits factor is the sum of net payroll taxes and benefits, divided by the sum of all salaries for all nursing facilities on the most recent and available cost report.

Subd. 2. General and administrative factor. The general and administrative factor is the difference of net general and administrative expenses and administrative salaries, divided by total operating expenses for all nursing facilities on the most recent and available cost report.

Subd. 3. Program plan support factor. (a) The program plan support factor is 10 percent for the following services to cover the cost of direct service staff needed to provide support for home and community-based service when not engaged in direct contact with participants:

(1) adult day services;
(2) customized living; and
(3) foster care.

(b) The program plan support factor is 15.5 percent for the following services to cover the cost of direct service staff needed to provide support for the service when not engaged in direct contact with participants:

(1) chore services;
(2) companion services;
(3) homemaker assistance with personal care;
(4) homemaker cleaning;
(5) homemaker home management;
(6) in-home respite care;
(7) individual community living support; and
(8) out-of-home respite care.
Subd. 4. Registered nurse management and supervision factor wage component. The registered nurse management and supervision factor wage component equals 15 percent of the registered nurse adjusted base wage as defined in section 256S.214.

Subd. 5. Social worker unlicensed supervisor supervision factor wage component. The social worker unlicensed supervisor supervision factor wage component equals 15 percent of the social worker unlicensed supervisor adjusted base wage as defined in section 256S.214.

Subd. 6. Facility and equipment factor. The facility and equipment factor for adult day services is 16.2 percent.

Subd. 7. Food, supplies, and transportation factor. The food, supplies, and transportation factor for adult day services is 24 percent.

Subd. 8. Supplies and transportation factor. The supplies and transportation factor for the following services is 1.56 percent:

1. chore services;
2. companion services;
3. homemaker assistance with personal care;
4. homemaker cleaning;
5. homemaker home management;
6. in-home respite care;
7. individual community support services; and
8. out-of-home respite care.

Subd. 9. Absence factor. The absence factor for the following services is 4.5 percent:

1. adult day services;
2. chore services;
3. companion services;
4. homemaker assistance with personal care;
5. homemaker cleaning;
6. homemaker home management;
7. in-home respite care;
8. individual community living support; and
Sec. 33. Minnesota Statutes 2022, section 256S.214, is amended to read:

83.17 Sec. 12. Minnesota Statutes 2022, section 256S.214, is amended to read:

83.18 256S.214 RATE SETTING; ADJUSTED BASE WAGE.

83.19 (a) For the purposes of section 256S.215, the adjusted base wage for each position equals

83.20 the position's base wage under section 256S.212 plus:

83.21 (1) the position's base wage multiplied by the payroll taxes and benefits factor under

83.22 section 256S.213, subdivision 1;

83.23 (2) the position's base wage multiplied by the general and administrative factor under

83.24 section 256S.213, subdivision 2; and

83.25 (3) the position's base wage multiplied by the program plan support factor under section

83.26 256S.213, subdivision 3.

83.27 (b) If the base wage described in paragraph (a) is below $16.96, the base wage shall

83.28 equal $16.96.

83.29 EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval,

83.30 whichever is later. The commissioner of human services shall notify the revisor of statutes

83.31 when federal approval is obtained.

Sec. 34. Minnesota Statutes 2022, section 256S.215, subdivision 2, is amended to read:

Subd. 2. Home management and support services component rate. The component
rate for home management and support services is calculated as follows:

(1) sum the home management and support services adjusted base wage plus the
registered nurse management and supervision factor wage component;

(2) multiply the result of clause (1) by the general and administrative factor; and

(3) sum the results of clauses (1) and (2).

Subd. 3. Home care aide services component rate. The component rate for home care
aide services is calculated as follows:

(1) sum the home health aide services adjusted base wage plus the registered nurse
management and supervision factor wage component;

(2) multiply the result of clause (1) by the general and administrative factor; and

(3) sum the results of clauses (1) and (2).
EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 36. Minnesota Statutes 2022, section 256S.215, subdivision 4, is amended to read:

Subd. 4. Home health aide services component rate. The component rate for home health aide services is calculated as follows:

(1) sum the home health aide services adjusted base wage plus the registered nurse management and supervision wage component;

(2) multiply the result of clause (1) by the general and administrative factor; and

(3) sum the results of clauses (1) and (2).

EFFECTIVE DATE. This section is effective January 1, 2024.

Subd. 7. Chore services rate. The 15-minute unit rate for chore services is calculated as follows:

(1) sum the chore services adjusted base wage and the social worker unlicensed supervisor supervision factor wage component; and

(2) multiply the result of clause (1) by the general and administrative factor;

(3) multiply the result of clause (1) by the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result of clause (2) by four.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 38. Minnesota Statutes 2022, section 256S.215, subdivision 8, is amended to read:

Subd. 8. Companion services rate. The 15-minute unit rate for companion services is calculated as follows:

(1) sum the companion services adjusted base wage and the social worker unlicensed supervisor supervision factor wage component; and

(2) multiply the result of clause (1) by the general and administrative factor;

(3) multiply the result of clause (1) by the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result of clause (2) by four.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 39. Minnesota Statutes 2022, section 256S.215, subdivision 9, is amended to read:

Subd. 9. Homemaker services and assistance with personal care rate. The 15-minute unit rate for homemaker services and assistance with personal care is calculated as follows:
(1) sum the homemaker services and assistance with personal care adjusted base wage and the registered nurse management and unlicensed supervisor supervision factor wage component; and

(2) multiply the result of clause (1) by the general and administrative factor; and

(3) multiply the result of clause (1) by the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result of clause (1) by four.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 41. Minnesota Statutes 2022, section 256S.215, subdivision 11, is amended to read: Subd. 11. Homemaker services and home management rate. The 15-minute unit rate for homemaker services and home management is calculated as follows:

1. sum the homemaker services and home management adjusted base wage and the registered nurse management and unlicensed supervisor supervision factor wage component; and

2. multiply the result of clause (1) by the general and administrative factor; and

3. multiply the result of clause (1) by the supplies and transportation factor; and

4. sum the results of clauses (1) to (3) and divide the result of clause (1) by four.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 42. Minnesota Statutes 2022, section 256S.215, subdivision 12, is amended to read: Subd. 12. In-home respite care services rates. (a) The 15-minute unit rate for in-home respite care services is calculated as follows:

1. sum the homemaker services and assistance with personal care adjusted base wage and the registered nurse management and unlicensed supervisor supervision factor wage component; and

2. multiply the result of clause (1) by the general and administrative factor; and

3. multiply the result of clause (1) by the supplies and transportation factor; and

4. sum the results of clauses (1) to (3) and divide the result of clause (1) by four.

EFFECTIVE DATE. This section is effective January 1, 2024.
(1) sum the in-home respite care services adjusted base wage and the registered nurse management and supervision factor wage component; and

(2) multiply the result of clause (1) by the general and administrative factor;

(3) multiply the result of clause (1) by the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result of clause (1) by four.

(b) The in-home respite care services daily rate equals the in-home respite care services 15-minute unit rate multiplied by 18.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 43. Minnesota Statutes 2022, section 256S.215, subdivision 13, is amended to read:

Subd. 13. Out-of-home respite care services rates. (a) The 15-minute unit rate for out-of-home respite care is calculated as follows:

(1) sum the out-of-home respite care services adjusted base wage and the registered nurse management and supervision factor wage component; and

(2) multiply the result of clause (1) by the general and administrative factor;

(3) multiply the result of clause (1) by the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result of clause (1) by four.

(b) The out-of-home respite care services daily rate equals the 15-minute unit rate for out-of-home respite care services multiplied by 18.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 44. Minnesota Statutes 2022, section 256S.215, subdivision 14, is amended to read:

Subd. 14. Individual community living support rate. The individual community living support rate is calculated as follows:

(1) sum the home care aide individual community living support adjusted base wage and the social worker registered nurse management and supervision factor wage component; and

(2) multiply the result of clause (1) by the general and administrative factor;

(3) multiply the result of clause (1) by the supplies and transportation factor; and

(4) sum the results of clauses (1) to (3) and divide the result of clause (1) by four.

EFFECTIVE DATE. This section is effective January 1, 2024.
Sec. 13. Minnesota Statutes 2022, section 256S.215, subdivision 15, is amended to read:
Subd. 15. Home-delivered meals rate. Effective January 1, 2024, the home-delivered meals rate equals $9.30, updated as directed in section 256S.211, subdivision 4.

The commissioner shall increase the home delivered meal rate every July 1 by the percent increase in the nursing facility dietary per diem using the two most recent and available nursing facility cost reports.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 45. Minnesota Statutes 2022, section 256S.215, subdivision 16, is amended to read:
Subd. 16. Adult day services rate. The 15-minute unit rate for adult day services, with an assumed staffing ratio of one staff person to four participants, is calculated as follows:

(1) one-sixteenth of the home care aide adjusted base wage, except that the general and administrative factor used to determine the home care aide services adjusted base wage is 20 percent by five to reflect an assumed staffing ratio of one to five;

(2) one-fourth of the registered nurse management and supervision wage component;

(3) $0.63 to cover the cost of meals; multiply the result of clause (2) by the general and administrative factor;

(4) multiply the result of clause (2) by the facility and equipment factor;

(5) multiply the result of clause (2) by the food, supplies, and transportation factor; and

(6) sum the results of clauses (2) to (5) and divide the result by four.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 46. Minnesota Statutes 2022, section 256S.215, subdivision 17, is amended to read:
Subd. 17. Adult day services bath rate. The 15-minute unit rate for adult day services bath is the sum of calculated as follows:

(1) one-fourth of the home care aide adjusted base wage, except that the general and administrative factor used to determine the home care aide services adjusted base wage is 20 percent and the nurse management and supervision wage component;

(2) one-fourth of the registered nurse management and supervision multiply the result of clause (1) by the general and administrative factor; and
(3) multiply the result of clause (1) by the facility and equipment factor;

(4) multiply the result of clause (1) by the food, supplies, and transportation factor; and

(5) sum the results of clauses (1) to (4) and divide the result by four.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 14. Laws 2021, chapter 30, article 12, section 5, as amended by Laws 2021, First Special Session chapter 7, article 17, section 2, is amended to read:

Sec. 5. GOVERNOR'S COUNCIL ON AN AGE-FRIENDLY MINNESOTA.

The Governor's Council on an Age-Friendly Minnesota, established in Executive Order 19-38, shall: (1) work to advance age-friendly policies; and (2) coordinate state, local, and private partners' collaborative work on emergency preparedness, with a focus on older adults, communities, and persons in zip codes most impacted by the COVID-19 pandemic.

The Governor's Council on an Age-Friendly Minnesota is extended and expires June 30, 2024.

Sec. 15. Laws 2021, First Special Session chapter 7, article 17, section 8, is amended to read:

Sec. 8. AGE-FRIENDLY MINNESOTA.

Subdivision 1. Age-friendly community grants. (a) This act includes $0 in fiscal year 2022 and $875,000 in fiscal year 2023 for age-friendly community grants. The commissioner of human services, in collaboration with the Minnesota Board on Aging and the Governor's Council on an Age-Friendly Minnesota, established in Executive Order 19-38, shall develop the age-friendly community grant program to help communities, including cities, counties, other municipalities, Tribes, and collaborative efforts, to become age-friendly communities, with an emphasis on structures, services, and community features necessary to support older adult residents over the next decade, including but not limited to:

(1) coordination of health and social services;
(2) transportation access;
(3) safe, affordable places to live;
(4) reducing social isolation and improving wellness;
(5) combating ageism and racism against older adults;
(6) accessible outdoor space and buildings;
(7) communication and information technology access; and
(8) opportunities to stay engaged and economically productive.
The general fund base in this act for this purpose is $875,000 in fiscal year 2024 and $3,000,000 in fiscal year 2025.

(b) All grant activities must be completed by March 31, 2024.

(c) This subdivision expires June 30, 2024.

Subdivision 2.

(a) This act includes $0 in fiscal year 2022 and $575,000 in fiscal year 2023 for technical assistance grants. The commissioner of human services, in collaboration with the Minnesota Board on Aging and the Governor's Council on an Age-Friendly Minnesota, established in Executive Order 19-38, shall develop the age-friendly technical assistance grant program. The general fund base in this act for this purpose is $575,000 in fiscal year 2024 and $1,725,000 in fiscal year 2025.

(b) All grant activities must be completed by March 31, 2024.

(c) This subdivision expires June 30, 2024.

Sec. 17. DIRECTION TO COMMISSIONER; FUTURE PACE IMPLEMENTATION FUNDING.

(a) The commissioner of human services must work collaboratively with stakeholders to undertake an actuarial analysis of Medicaid costs for nursing home eligible beneficiaries for the purposes of establishing a monthly Medicaid capitation rate for the program of all-inclusive care for the elderly (PACE). The analysis must account for all sources of state Medicaid expenditures for nursing home eligible beneficiaries, including but not limited to capitation payments to plans and additional state expenditures to skilled nursing facilities consistent with Code of Federal Regulations, title 42, section 447, and long-term care costs. The commissioner must also estimate the administrative costs associated with implementing and monitoring PACE. The commissioner must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health care funding of the actuarial analysis, proposed capitation rate, and estimated administrative costs by December 15, 2023. The commissioner shall recommend a financing mechanism and administrative framework by July 1, 2024.

(b) The commissioner shall also estimate the administrative costs associated with implementing and monitoring PACE. For purposes of this section, the commissioner may issue or extend a request for proposal to an outside vendor.

(c) The commissioner shall provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health care funding of the actuarial analysis, proposed capitation rate, and estimated administrative costs by December 15, 2023. The commissioner shall recommend a financing mechanism and administrative framework by July 1, 2024.

(d) By September 1, 2024, the commissioner shall inform the chairs and ranking minority members of the legislative committees with jurisdiction over health care funding of the commissioner's progress toward developing a recommended financing mechanism. For purposes of this section, the commissioner may issue or extend a request for proposal to an outside vendor.
Beginning in fiscal year 2025, the commissioner of human services must continue the respite services for older adults grant program established under Laws 2021, First Special Session chapter 7, article 17, subdivision 3, under the authority granted under Minnesota Statutes, section 256.9756, during fiscal year 2024 in order to facilitate the continuity of the grant program during the transition from a temporary program to a permanent one.

(a) Effective July 1, 2023, through June 30, 2025, the total payment rate for all facilities reimbursed under Minnesota Statutes, chapter 256R, must be increased by an amount per resident day equal to a net state general fund expenditure of $37,045,000 in fiscal year 2024 and $37,045,000 in fiscal year 2025; Effective July 1, 2025, the total payment rate for all facilities reimbursed under Minnesota Statutes, chapter 256R, must be increased by an amount per resident day equal to a net state expenditure of $23,698,000 per fiscal year. The rate increases under this paragraph are add-ons to the facilities’ rates calculated under Minnesota Statutes, chapter 256R.

(b) To be eligible to receive a payment under this section, a nursing facility must attest to the commissioner of human services that the additional revenue will be used exclusively to increase compensation-related costs for employees directly employed by the facility on or after July 1, 2023, excluding:

(1) owners of the building and operation;
(2) persons employed in the central office of an entity that has any ownership interest in the nursing facility or exercises control over the nursing facility;
(3) persons paid by the nursing facility under a management contract; and
(4) persons providing separately billable services.

(c) Contracted housekeeping, dietary, and laundry employees providing services on site at the nursing facility are eligible for compensation-related cost increases under this section, provided the agency that employs them submits to the nursing facility proof of the costs of the increases provided to those employees.

(b) To be eligible to receive a grant under this section, a nursing facility must apply to the commissioner on the forms and according to the timelines established by the commissioner. The commissioner must develop an expedited application process that includes a form allowing applicants to meet the requirements of this section in as timely a manner as possible. The commissioner must allow the use of electronic submission of application forms and accept electronic signatures.
(c) An eligible nursing facility must receive a grant in an amount equal to half of the facility's estimated lost revenue from March 15, 2020, to January 31, 2022.

(d) A nursing facility must attest to the commissioner that the grant money will be used to:
   
   (1) pay down debt accrued from March 15, 2020, to January 31, 2022;
   
   (2) pay for steps taken to mitigate the effects of the COVID-19 pandemic, or permanent new increases to wages and salaries implemented on or after July 1, 2023, and before September 1, 2023, for employees in the organization's shared services departments of hospital-attached nursing facilities for the nursing facility allocated share of wages and expenses associated with the wage and salary increases in clauses (1) and (2) incurred no later than December 31, 2025, and paid for no later than June 30, 2026;
   
   (3) hire or retain staff.

(e) A facility that receives a rate increase under this section must complete a distribution plan in the form and manner determined by the commissioner. This plan must specify the total amount of money the facility is estimated to receive from this rate increase and how that money will be distributed to increase the allowable compensation-related costs described in paragraph (d) for employees described in paragraphs (b) and (c). This estimate must be computed by multiplying $28.65 by the sum of the medical assistance and private pay resident days as defined in Minnesota Statutes, section 256R.02, subdivision 45, for the period beginning October 1, 2021, through September 30, 2022, dividing this sum by 365 and multiplying the result by 915. A facility must submit its distribution plan to the commissioner by October 1, 2023. The commissioner may review the distribution plan to ensure that the payment rate adjustment per resident day is used in accordance with this section. The commissioner may allow for a distribution plan amendment under exceptional circumstances to be determined at the sole discretion of the commissioner.

(f) By September 1, 2023, a facility must post the distribution plan summary and leave it posted for a period of at least six months in an area of the facility to which all employees have access. The posted distribution plan summary must be in the form and manner determined by the commissioner. The distribution plan summary must include instructions regarding how to contact the commissioner, or the commissioner's representative, if an employee believes the employee is covered by paragraph (b) or (c) and has not received the compensation-related increases described in paragraph (d). The instruction to such employees must include the e-mail address and telephone number that may be used by the employee to contact the commissioner's representative. The posted distribution plan summary must demonstrate how the increase in paragraph (a) received by the nursing facility from July 1, 2023, through December 1, 2025, will be used in full to pay the compensation-related costs in paragraph (d) for employees described in paragraphs (b) and (c).
If the nursing facility expends less on new compensation-related costs than the amount that was made available by the rate increase in this section for that purpose, the amount of this rate adjustment must be reduced to equal the amount utilized by the facility for purposes authorized under this section. If the facility fails to post the distribution plan summary in its facility as required, fails to submit its distribution plan to the commissioner by the due date, or uses the money for unauthorized purposes, these rate increases must be treated as an overpayment and subsequently recovered.

The commissioner shall not treat payments received under this section as an applicable credit for purposes of setting total payment rates under Minnesota Statutes, chapter 256R.

EFFECTIVE DATE: This section is effective July 1, 2023, or upon federal approval, whichever is later.

The commissioners of human services and health must consult with assisted living facility license holders who provide customized living and whose facilities are smaller than 11 beds to compile a list of regulatory requirements, compliance with which is particularly difficult for small providers. The commissioners must provide the chairs and ranking minority members of the legislative committees with jurisdiction over assisted living licensure and customized living with recommendations, including draft legislation, to reduce the regulatory burden on small providers.

The commissioner of human services shall increase payment rates for community living assistance and family caregiver services under Minnesota Statutes, sections 256B.0913 and 256B.0922, and chapter 256S by 15.8 percent from the rates in effect on December 31, 2023.

EFFECTIVE DATE: This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.
Sec. 20. REVISOR INSTRUCTION.

The revisor of statutes shall change the headnote in Minnesota Statutes, section 256B.0917, from "HOME AND COMMUNITY-BASED SERVICES FOR OLDER ADULTS" to "ELDERCARE DEVELOPMENT PARTNERSHIPS."

Sec. 52. REVISOR INSTRUCTION.

The revisor of statutes shall change the headnote in Minnesota Statutes, section 256B.0917, from "HOME AND COMMUNITY-BASED SERVICES FOR OLDER ADULTS" to "ELDERCARE DEVELOPMENT PARTNERSHIPS."

Sec. 21. REPEALER.

(a) Minnesota Statutes 2022, section 256S.2101, subdivisions 1 and 2, are repealed.

(b) Minnesota Statutes 2022, section 256S.19, subdivision 4, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective July 1, 2023. Paragraph (b) is effective January 1, 2024.

Sec. 53. REPEALER.

(a) Minnesota Statutes 2022, section 256B.0917, subdivisions 1a, 6, 7a, and 13, are repealed.

(b) Minnesota Statutes 2022, section 256S.19, subdivision 4, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective January 1, 2024.