

74.8 **ARTICLE 2**
74.9 **AGING SERVICES**

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

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

68.8 **ARTICLE 2**
68.9 **AGING SERVICES**

68.10 Section 1. Minnesota Statutes 2022, section 256.975, subdivision 6, is amended to read:

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

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

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

68.22 (2) "Tribal government" means representatives of each of the 11 federally recognized
68.23 Native American Tribes located wholly or partially within the boundaries of the state of
68.24 Minnesota.

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

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

68.29 (2) (1) a planning system that would plan to grant, or make recommendations for granting,
68.30 federal and state funding for statewide Tribal-based Native American programs and services;

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

74.23 **256.9754 COMMUNITY SERVICES DEVELOPMENT LIVE WELL AT HOME**

74.24 **GRANTS PROGRAM.**

74.25 Subdivision 1. **Definitions.** For purposes of this section, the following terms have the

74.26 meanings given.

74.27 (a) "Community" means a town, township, city, or targeted neighborhood within a city,

74.28 or a consortium of towns, townships, cities, or targeted neighborhoods within cities.

74.29 (b) "Core home and community-based services provider" means a Faith in Action, Living

74.30 at Home/Block Nurse, congregational nurse, or similar community-based program governed

74.31 by a board, the majority of whose members reside within the program's service area, that

75.1 organizes and uses volunteers and paid staff to deliver nonmedical services intended to

75.2 assist older adults to identify and manage risks and to maintain their community living and

75.3 integration in the community.

75.4 (c) "Long-term services and supports" means any service available under the elderly

75.5 waiver program or alternative care grant programs, nursing facility services, transportation

69.1 (2) a plan to develop business initiatives involving Tribal members that will qualify for

69.2 federal- and state-funded elder service contracts;

69.3 (3) a plan for statewide Tribal-based service focal points, senior centers, or community

69.4 centers for socialization and service accessibility for ~~Indian~~ Native American elders;

69.5 (4) a plan to develop and implement statewide education and public awareness ~~campaigns~~

69.6 promotions, including ~~awareness programs, sensitivity~~ cultural sensitivity training; and

69.7 public education on ~~Indian elder needs~~ Native American elders;

69.8 (5) a plan for statewide culturally appropriate information and referral services for Native

69.9 American elders, including legal advice and counsel and trained advocates ~~and an Indian~~

69.10 elder newsletter;

69.11 (6) a plan for a coordinated statewide Tribal-based health care system including health

69.12 promotion/prevention promotion and prevention, in-home service, long-term care service,

69.13 and health care services;

69.14 (7) a plan for ongoing research involving Indian elders including needs assessment and

69.15 needs analysis; collection of significant data on Native American elders, including population,

69.16 health, socialization, mortality, homelessness, and economic status; and

69.17 ~~(8) information and referral services for legal advice or legal counsel; and~~

69.18 ~~(9) (8) a plan to coordinate services with existing organizations, including but not limited~~

69.19 to the state of Minnesota, the ~~Council of~~ Minnesota Indian Affairs Council, ~~the Minnesota~~

69.20 ~~Indian Council of Elders,~~ the Minnesota Board on Aging, Wisdom Steps, and Minnesota

69.21 Tribal governments.

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

69.23 **256.9754 COMMUNITY SERVICES DEVELOPMENT LIVE WELL AT HOME**

69.24 **GRANTS PROGRAM.**

69.25 Subdivision 1. **Definitions.** For purposes of this section, the following terms have the

69.26 meanings given.

69.27 (a) "Community" means a town, township, city, or targeted neighborhood within a city,

69.28 or a consortium of towns, townships, cities, or targeted neighborhoods within cities.

69.29 (b) "Core home and community-based services provider" means a Faith in Action, Living

69.30 at Home/Block Nurse, congregational nurse, or similar community-based program governed

69.31 by a board, the majority of whose members reside within the program's service area, that

69.32 organizes and uses volunteers and paid staff to deliver nonmedical services intended to

70.1 assist older adults to identify and manage risks and to maintain their community living and

70.2 integration in the community.

70.3 (c) "Long-term services and supports" means any service available under the elderly

70.4 waiver program or alternative care grant programs, nursing facility services, transportation

75.6 services, caregiver support and respite care services, and other home and community-based
75.7 services identified as necessary either to maintain lifestyle choices for older adults or to
75.8 support them to remain in their own home.

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

75.13 ~~(c)~~ (e) "Older adult" refers to individuals 65 years of age and older.

75.14 Subd. 2. **Creation; purpose.** (a) The community services development live well at home
75.15 grants program is created under the administration of the commissioner of human
75.16 services.

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

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

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

75.28 (3) support the informal caregivers of older adults;

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

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

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

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

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

76.7 (9) strengthen programs that use volunteers.

70.5 services, caregiver support and respite care services, and other home and community-based
70.6 services identified as necessary either to maintain lifestyle choices for older adults or to
70.7 support them to remain in their own home.

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

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70.17 section is to make strategic changes in the long-term services and supports system for older
70.18 adults and people with dementia, including statewide capacity for local service development
70.19 and technical assistance, and statewide availability of home and community-based services
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70.21 Minnesota. These projects are intended to create incentives for new and expanded home
70.22 and community-based services in Minnesota in order to:

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

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70.29 health care services, in order to improve the quality of care and enhance the quality of life
70.30 of older adults and their informal caregivers;

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

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

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

71.7 (9) strengthen programs that use volunteers.

76.8 (c) The services provided by these projects are available to older adults who are eligible
76.9 for medical assistance and the elderly waiver under chapter 256S, the alternative care
76.10 program under section 256B.0913, or the essential community supports grant under section
76.11 256B.0922, and to persons who have their own money to pay for services.

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

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

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

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

- 77.7 (1) establish a local coordinated network of volunteer and paid respite workers;
77.8 (2) coordinate assignment of respite care services to caregivers of older adults;
77.9 (3) assure the health and safety of the older adults;
77.10 (4) identify at-risk caregivers;

71.8 (c) The services provided by these projects are available to older adults who are eligible
71.9 for medical assistance and the elderly waiver under chapter 256S, the alternative care
71.10 program under section 256B.0913, or the essential community supports grant under section
71.11 256B.0922, and to persons who have their own money to pay for services.

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71.18 care. Grants may also be made to renovate current buildings, provide transportation services,
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71.20 own homes by sharing a home, fund programs that coordinate and manage formal and
71.21 informal services to older adults in their homes to enable them to live as independently as
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- 72.7 (1) establish a local coordinated network of volunteer and paid respite workers;
72.8 (2) coordinate assignment of respite care services to caregivers of older adults;
72.9 (3) assure the health and safety of the older adults;
72.10 (4) identify at-risk caregivers;

77.11 (5) provide information, education, and training for caregivers in the designated
77.12 community; and

77.13 (6) demonstrate the need in the proposed service area, particularly where nursing facility
77.14 closures have occurred or are occurring or areas with service needs identified by section
77.15 144A.351. Preference must be given for projects that reach underserved populations.

77.16 (b) Projects must clearly describe:

77.17 (1) how they will achieve their purpose;

77.18 (2) the process for recruiting, training, and retraining volunteers; and

77.19 (3) a plan to promote the project in the designated community, including outreach to
77.20 persons needing the services.

77.21 (c) Money for all projects under this subdivision may be used to:

77.22 (1) hire a coordinator to develop a coordinated network of volunteer and paid respite
77.23 care services and assign workers to clients;

77.24 (2) recruit and train volunteer providers;

77.25 (3) provide information, training, and education to caregivers;

77.26 (4) advertise the availability of the caregiver support and respite care project; and

77.27 (5) purchase equipment to maintain a system of assigning workers to clients.

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

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

78.1 Subd. 3d. **Core home and community-based services projects.** The commissioner
78.2 shall select and contract with core home and community-based services providers for projects
78.3 to provide services and supports to older adults both with and without family and other
78.4 informal caregivers using a request for proposals process. Projects must:

78.5 (1) have a credible public or private nonprofit sponsor providing ongoing financial
78.6 support;

78.7 (2) have a specific, clearly defined geographic service area;

78.8 (3) use a practice framework designed to identify high-risk older adults and help them
78.9 take action to better manage their chronic conditions and maintain their community living;

78.10 (4) have a team approach to coordination and care, ensuring that the older adult
78.11 participants, their families, and the formal and informal providers are all part of planning
78.12 and providing services;

72.11 (5) provide information, education, and training for caregivers in the designated
72.12 community; and

72.13 (6) demonstrate the need in the proposed service area, particularly where nursing facility
72.14 closures have occurred or are occurring or areas with service needs identified by section
72.15 144A.351. Preference must be given for projects that reach underserved populations.

72.16 (b) Projects must clearly describe:

72.17 (1) how they will achieve their purpose;

72.18 (2) the process for recruiting, training, and retraining volunteers; and

72.19 (3) a plan to promote the project in the designated community, including outreach to
72.20 persons needing the services.

72.21 (c) Money for all projects under this subdivision may be used to:

72.22 (1) hire a coordinator to develop a coordinated network of volunteer and paid respite
72.23 care services and assign workers to clients;

72.24 (2) recruit and train volunteer providers;

72.25 (3) provide information, training, and education to caregivers;

72.26 (4) advertise the availability of the caregiver support and respite care project; and

72.27 (5) purchase equipment to maintain a system of assigning workers to clients.

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

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

73.1 Subd. 3d. **Core home and community-based services projects.** The commissioner
73.2 shall select and contract with core home and community-based services providers for projects
73.3 to provide services and supports to older adults both with and without family and other
73.4 informal caregivers using a request for proposals process. Projects must:

73.5 (1) have a credible public or private nonprofit sponsor providing ongoing financial
73.6 support;

73.7 (2) have a specific, clearly defined geographic service area;

73.8 (3) use a practice framework designed to identify high-risk older adults and help them
73.9 take action to better manage their chronic conditions and maintain their community living;

73.10 (4) have a team approach to coordination and care, ensuring that the older adult
73.11 participants, their families, and the formal and informal providers are all part of planning
73.12 and providing services;

78.13 (5) provide information, support services, homemaking services, counseling, and training
78.14 for the older adults and family caregivers;

78.15 (6) encourage service area or neighborhood residents and local organizations to
78.16 collaborate in meeting the needs of older adults in their geographic service areas;

78.17 (7) recruit, train, and direct the use of volunteers to provide informal services and other
78.18 appropriate support to older adults and their caregivers; and

78.19 (8) provide coordination and management of formal and informal services to older adults
78.20 and their families using less expensive alternatives.

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

78.25 Subd. 3f. **Live well at home grants extension.** (a) A community or organization that
78.26 has previously received a grant under subdivision 3, except any grants or portion of a grant
78.27 for capital or other onetime costs, or subdivisions 3c to 3e, for a project that has proven to
78.28 be successful and that is no longer eligible for funding under subdivision 3, 3c, 3d, or 3e
78.29 may apply to the commissioner to receive ongoing funding to sustain the project.

78.30 (b) The commissioner must use a request for proposals process and may use a two-year
78.31 grant cycle.

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

79.4 Subd. 5. **Grant preference.** The commissioner of human services shall give preference
79.5 when awarding grants under this section to areas where nursing facility closures have
79.6 occurred or are occurring or areas with service needs identified by section 144A.351. The
79.7 commissioner may award grants to the extent grant funds are available and to the extent
79.8 applications are approved by the commissioner. Denial of approval of an application in one
79.9 year does not preclude submission of an application in a subsequent year. The maximum
79.10 grant amount is limited to \$750,000.

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

79.12 Subdivision 1. **Caregiver respite grant program established.** The commissioner of
79.13 human services must establish a caregiver respite services grant program to increase the
79.14 availability of respite services for family caregivers of people with dementia and older adults
79.15 and to provide information, education, and training to respite caregivers and volunteers
79.16 regarding caring for people with dementia. From the money made available for this purpose,
79.17 the commissioner must award grants on a competitive basis to respite service providers,
79.18 giving priority to areas of the state where there is a high need of respite services.

73.13 (5) provide information, support services, homemaking services, counseling, and training
73.14 for the older adults and family caregivers;

73.15 (6) encourage service area or neighborhood residents and local organizations to
73.16 collaborate in meeting the needs of older adults in their geographic service areas;

73.17 (7) recruit, train, and direct the use of volunteers to provide informal services and other
73.18 appropriate support to older adults and their caregivers; and

73.19 (8) provide coordination and management of formal and informal services to older adults
73.20 and their families using less expensive alternatives.

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

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

73.28 Subd. 5. **Grant preference.** The commissioner of human services shall give preference
73.29 when awarding grants under this section to areas where nursing facility closures have
73.30 occurred or are occurring or areas with service needs identified by section 144A.351. The
73.31 commissioner may award grants to the extent grant funds are available and to the extent
73.32 applications are approved by the commissioner. Denial of approval of an application in one
74.1 year does not preclude submission of an application in a subsequent year. The maximum
74.2 grant amount is limited to \$750,000.

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

74.4 Subdivision 1. **Caregiver respite services grant program established.** The
74.5 commissioner of human services must establish a caregiver respite services grant program
74.6 to increase the availability of respite services for family caregivers of people with dementia
74.7 and older adults and to provide information, education, and training to respite caregivers
74.8 and volunteers regarding caring for people with dementia. From the money made available
74.9 for this purpose, the commissioner must award grants on a competitive basis to respite

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

79.22 Subd. 3. **Report.** By January 15, 2026, the commissioner shall submit a progress report
79.23 about the caregiver respite services grants in this section to the chairs and ranking minority
79.24 members of the legislative committees and divisions with jurisdiction over human services.
79.25 The progress report must include metrics of the use of grant program money. This subdivision
79.26 expires upon submission of the report. The commissioner shall inform the revisor of statutes
79.27 when the report is submitted.

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

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

79.32 (1) the person is a citizen of the United States or a United States national;

80.1 (2) the person has been determined by a community assessment under section 256B.0911
80.2 to be a person who would require the level of care provided in a nursing facility, as
80.3 determined under section 256B.0911, subdivision 26, but for the provision of services under
80.4 the alternative care program;

80.5 (3) the person is age 65 or older;

80.6 (4) the person would be eligible for medical assistance within 135 days of admission to
80.7 a nursing facility;

80.8 (5) the person is not ineligible for the payment of long-term care services by the medical
80.9 assistance program due to an asset transfer penalty under section 256B.0595 or equity
80.10 interest in the home exceeding \$500,000 as stated in section 256B.056;

80.11 (6) the person needs long-term care services that are not funded through other state or
80.12 federal funding, or other health insurance or other third-party insurance such as long-term
80.13 care insurance;

80.14 (7) except for individuals described in clause (8), the monthly cost of the alternative
80.15 care services funded by the program for this person does not exceed 75 percent of the
80.16 monthly limit described under section 256S.18. This monthly limit does not prohibit the
80.17 alternative care client from payment for additional services, but in no case may the cost of
80.18 additional services purchased under this section exceed the difference between the client's
80.19 monthly service limit defined under section 256S.04, and the alternative care program
80.20 monthly service limit defined in this paragraph. If care-related supplies and equipment or
80.21 environmental modifications and adaptations are or will be purchased for an alternative

74.10 service providers, giving priority to areas of the state where there is a high need of respite
74.11 services.

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

74.15 Subd. 3. **Report.** By January 15, 2026, and every other January 15 thereafter, the
74.16 commissioner shall submit a progress report about the caregiver respite services grants in
74.17 this section to the chairs and ranking minority members of the legislative committees with
74.18 jurisdiction over human services finance and policy. The progress report must include
74.19 metrics of the use of the grant program money.

80.22 care services recipient, the costs may be prorated on a monthly basis for up to 12 consecutive
80.23 months beginning with the month of purchase. If the monthly cost of a recipient's other
80.24 alternative care services exceeds the monthly limit established in this paragraph, the annual
80.25 cost of the alternative care services shall be determined. In this event, the annual cost of
80.26 alternative care services shall not exceed 12 times the monthly limit described in this
80.27 paragraph;

80.28 (8) for individuals assigned a case mix classification A as described under section
80.29 256S.18, with (i) no dependencies in activities of daily living, or (ii) up to two dependencies
80.30 in bathing, dressing, grooming, walking, and eating when the dependency score in eating
80.31 is three or greater as determined by an assessment performed under section 256B.0911, the
80.32 monthly cost of alternative care services funded by the program cannot exceed \$593 per
80.33 month for all new participants enrolled in the program on or after July 1, 2011. This monthly
80.34 limit shall be applied to all other participants who meet this criteria at reassessment. This
81.1 monthly limit shall be increased annually as described in section 256S.18. This monthly
81.2 limit does not prohibit the alternative care client from payment for additional services, but
81.3 in no case may the cost of additional services purchased exceed the difference between the
81.4 client's monthly service limit defined in this clause and the limit described in clause (7) for
81.5 case mix classification A; ~~and~~

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

81.8 (i) the appointment of a representative payee;

81.9 (ii) automatic payment from a financial account;

81.10 (iii) the establishment of greater family involvement in the financial management of
81.11 payments; or

81.12 (iv) another method acceptable to the lead agency to ensure prompt fee payments; and

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

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

81.21 (c) Alternative care funding under this subdivision is not available for a person who is
81.22 a medical assistance recipient or who would be eligible for medical assistance without a
81.23 spenddown or waiver obligation. A person whose initial application for medical assistance
81.24 and the elderly waiver program is being processed may be served under the alternative care
81.25 program for a period up to 60 days. If the individual is found to be eligible for medical

81.26 assistance, medical assistance must be billed for services payable under the federally
81.27 approved elderly waiver plan and delivered from the date the individual was found eligible
81.28 for the federally approved elderly waiver plan. Notwithstanding this provision, alternative
81.29 care funds may not be used to pay for any service the cost of which: (i) is payable by medical
81.30 assistance; (ii) is used by a recipient to meet a waiver obligation; or (iii) is used to pay a
81.31 medical assistance income spenddown for a person who is eligible to participate in the
81.32 federally approved elderly waiver program under the special income standard provision.

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

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

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

82.12 Sec. 5. Minnesota Statutes 2022, section 256B.0913, subdivision 5, is amended to read:

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

82.15 (1) adult day services and adult day services bath;

82.16 (2) home care;

82.17 (3) homemaker services;

82.18 (4) personal care;

82.19 (5) case management and conversion case management;

82.20 (6) respite care;

82.21 (7) specialized supplies and equipment;

82.22 (8) home-delivered meals;

82.23 (9) nonmedical transportation;

82.24 (10) nursing services;

82.25 (11) chore services;

82.26 (12) companion services;

82.27 (13) nutrition services;

82.28 (14) family caregiver training and education;

82.29 (15) coaching and counseling;

83.1 (16) telehome care to provide services in their own homes in conjunction with in-home

83.2 visits;

83.3 (17) consumer-directed community supports under the alternative care programs which

83.4 are available statewide and limited to the average monthly expenditures representative of

83.5 all alternative care program participants for the same case mix resident class assigned in

83.6 the most recent fiscal year for which complete expenditure data is available;

83.7 (18) environmental accessibility and adaptations; and

83.8 (19) discretionary services, for which lead agencies may make payment from their

83.9 alternative care program allocation for services not otherwise defined in this section or

83.10 section 256B.0625, following approval by the commissioner.

83.11 Total annual payments for discretionary services for all clients served by a lead agency

83.12 must not exceed 25 percent of that lead agency's annual alternative care program base

83.13 allocation, except that when alternative care services receive federal financial participation

83.14 under the 1115 waiver demonstration, funding shall be allocated in accordance with

83.15 subdivision 17.

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

83.17 Sec. 6. Minnesota Statutes 2022, section 256B.0917, subdivision 1b, is amended to read:

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

83.19 meanings given.

83.20 (b) "Community" means a town, township, city, or targeted neighborhood within a city,

83.21 or a consortium of towns, townships, cities, or specific neighborhoods within a city.

83.22 (e) "Core home and community-based services provider" means a Faith in Action, Living

83.23 at Home Block Nurse, Congregational Nurse, or similar community-based program governed

83.24 by a board, the majority of whose members reside within the program's service area, that

83.25 organizes and uses volunteers and paid staff to deliver nonmedical services intended to

83.26 assist older adults to identify and manage risks and to maintain their community living and

83.27 integration in the community.

83.28 (d) "Eldercare development partnership" means a team of representatives of county

83.29 social service and public health agencies, the area agency on aging, local nursing home

83.30 providers, local home care providers, and other appropriate home and community-based

83.31 providers in the area agency's planning and service area.

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

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

74.22 meanings given.

74.23 (b) "Community" means a town, township, city, or targeted neighborhood within a city,

74.24 or a consortium of towns, townships, cities, or specific neighborhoods within a city.

74.25 (e) "Core home and community-based services provider" means a Faith in Action, Living

74.26 at Home Block Nurse, Congregational Nurse, or similar community-based program governed

74.27 by a board, the majority of whose members reside within the program's service area, that

74.28 organizes and uses volunteers and paid staff to deliver nonmedical services intended to

74.29 assist older adults to identify and manage risks and to maintain their community living and

74.30 integration in the community.

74.31 (d) (b) "Eldercare development partnership" means a team of representatives of county

74.32 social service and public health agencies, the area agency on aging, local nursing home

75.1 providers, local home care providers, and other appropriate home and community-based

75.2 providers in the area agency's planning and service area.

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

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

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

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

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

84.15 (1) is age 65 or older;

84.16 (2) is not eligible for medical assistance;

84.17 (3) has received a community assessment under section 256B.0911, subdivisions 17 to
84.18 21, 23, 24, or 27, and does not require the level of care provided in a nursing facility;

84.19 (4) meets the financial eligibility criteria for the alternative care program under section
84.20 256B.0913, subdivision 4;

84.21 (5) has an assessment summary; and

84.22 (6) has been determined by a community assessment under section 256B.0911,
84.23 subdivisions 17 to 21, 23, 24, or 27, to be a person who would require provision of at least
84.24 one of the following services, as defined in the approved elderly waiver plan, in order to
84.25 maintain their community residence:

84.26 (i) adult day services;

84.27 (ii) caregiver support, including respite care;

84.28 (iii) homemaker support;

84.29 (iv) adult companion services;

84.30 ~~(v)~~ (v) chores;

85.1 ~~(vi)~~ (vi) a personal emergency response device or system;

85.2 ~~(vii)~~ (vii) home-delivered meals; or

85.3 ~~(viii)~~ (viii) community living assistance as defined by the commissioner.

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

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

85.4 (c) The person receiving any of the essential community supports in this subdivision
85.5 must also receive service coordination, not to exceed \$600 in a 12-month authorization
85.6 period, as part of their assessment summary.

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

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

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

85.16 Subd. 4k. **Property rate increase for certain nursing facilities.** (a) A rate increase
85.17 under this subdivision ends upon the effective date of the transition of the facility's property
85.18 rate to a property payment rate under section 256R.26, subdivision 8.

85.19 (b) The commissioner shall increase the property rate of a nursing facility located in the
85.20 city of Saint Paul at 1415 Almond Avenue in Ramsey County by \$10.65 on September 1,
85.21 2023.

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

85.24 (d) The commissioner shall increase the property rate of a nursing facility located in the
85.25 city of Chatfield at 1102 Liberty Street SE in Fillmore County by \$21.35 on September 1,
85.26 2023.

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

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

86.2 **256M.42 ADULT PROTECTION GRANT ALLOCATIONS.**

86.3 Subdivision 1. **Formula.** (a) The commissioner shall allocate state money appropriated
86.4 under this section on an annual basis to each county board ~~and tribal government approved~~
86.5 ~~by the commissioner to assume county agency duties for adult protective services or as a~~
86.6 ~~lead investigative agency protection under section 626.557 on an annual basis in an amount~~
86.7 ~~determined~~ and to Tribal Nations that have voluntarily chosen by resolution of Tribal
86.8 government to participate in vulnerable adult protection programs according to the following
86.9 formula after the award of the amounts in paragraph (c):

86.10 (1) 25 percent must be allocated to the responsible agency on the basis of the number
86.11 of reports of suspected vulnerable adult maltreatment under sections 626.557 and 626.5572,

75.9 Sec. 5. Minnesota Statutes 2022, section 256M.42, is amended to read:

75.10 **256M.42 ADULT PROTECTION GRANT ALLOCATIONS.**

75.11 Subdivision 1. **Formula.** (a) The commissioner shall allocate state money appropriated
75.12 under this section on an annual basis to each county board ~~and tribal government approved~~
75.13 ~~by the commissioner to assume county agency duties for adult protective services or as a~~
75.14 ~~lead investigative agency protection under section 626.557 on an annual basis in an amount~~
75.15 ~~determined~~ and to Tribal Nations that have voluntarily chosen by resolution of Tribal
75.16 government to participate in vulnerable adult protection programs according to the following
75.17 formula after the award of the amounts in paragraph (c):

75.18 (1) 25 percent must be allocated to the responsible agency on the basis of the number
75.19 of reports of suspected vulnerable adult maltreatment under sections 626.557 and 626.5572,

86.12 ~~when the county or tribe is responsible~~ as determined by the most recent data of the
86.13 commissioner; and

86.14 (2) 75 percent must be allocated to the responsible agency on the basis of the number
86.15 of screened-in reports for adult protective services or vulnerable adult maltreatment
86.16 investigations under sections 626.557 and 626.5572, ~~when the county or tribe is responsible~~
86.17 as determined by the most recent data of the commissioner.

86.18 (b) ~~The commissioner is precluded from changing the formula under this subdivision~~
86.19 ~~or recommending a change to the legislature without public review and input.~~
86.20 Notwithstanding paragraph (a), the commissioner must not award a county less than a
86.21 minimum allocation established by the commissioner.

86.22 (c) To receive money under this subdivision, a participating Tribal Nation must apply
86.23 to the commissioner. Of the amount appropriated for purposes of this section, the
86.24 commissioner must award \$100,000 to each federally recognized Tribal Nation that has
86.25 applied to the commissioner and has a Tribal resolution establishing a vulnerable adult
86.26 protection program. Money received by a Tribal Nation under this section must be used for
86.27 its vulnerable adult protection program.

86.28 Subd. 2. **Payment.** The commissioner shall make allocations for the state fiscal year
86.29 starting July 1, ~~2019~~ 2023, and to each county board or tribal government on or before
86.30 October 10, ~~2019~~ 2023. The commissioner shall make allocations under subdivision 1 to
86.31 each county board or tribal government each year thereafter on or before July 10.

86.32 Subd. 3. ~~Prohibition on supplanting existing money Purpose of expenditures.~~ Money
86.33 received under this section must be used ~~for staffing for protection of vulnerable adults or~~
87.1 ~~to meet the agency's duties under section 626.557 and to expand adult protective services~~
87.2 ~~to stop, prevent, and reduce risks of maltreatment for adults accepted for services under~~
87.3 ~~section 626.557, or for multidisciplinary teams under section 626.5571. Money must not~~
87.4 ~~be used to supplant current county or tribe expenditures for these purposes.~~

87.5 Subd. 4. **Required expenditures.** State money must be used to expand, not supplant,
87.6 county or Tribal expenditures for the fiscal year 2023 base for adult protection programs,
87.7 service interventions, or multidisciplinary teams. This prohibition on county or Tribal
87.8 expenditures supplanting state money ends July 1, 2027.

87.9 Subd. 5. **County performance on adult protection measures.** The commissioner must
87.10 set vulnerable adult protection measures and standards for money received under this section.
87.11 The commissioner must require an underperforming county to demonstrate that the county
87.12 designated money allocated under this section for the purpose required and implemented a
87.13 reasonable strategy to improve adult protection performance, including the provision of a
87.14 performance improvement plan and additional remedies identified by the commissioner.
87.15 The commissioner may redirect up to 20 percent of a county's money under this section
87.16 toward the performance improvement plan.

75.20 ~~when the county or tribe is responsible~~ as determined by the most recent data of the
75.21 commissioner; and

75.22 (2) 75 percent must be allocated to the responsible agency on the basis of the number
75.23 of screened-in reports for adult protective services or vulnerable adult maltreatment
75.24 investigations under sections 626.557 and 626.5572, ~~when the county or tribe is responsible~~
75.25 as determined by the most recent data of the commissioner.

75.26 (b) ~~The commissioner is precluded from changing the formula under this subdivision~~
75.27 ~~or recommending a change to the legislature without public review and input.~~
75.28 Notwithstanding this subdivision, no county must be awarded less than a minimum allocation
75.29 established by the commissioner.

75.30 (c) To receive money under this subdivision, a participating Tribal Nation must apply
75.31 to the commissioner. Of the amount appropriated for purposes of this section, the
75.32 commissioner must award \$100,000 to each federally recognized Tribal Nation with a Tribal
76.1 resolution establishing a vulnerable adult protection program. Money received by a Tribal
76.2 Nation under this section must be used for its vulnerable adult protection program.

76.3 Subd. 2. **Payment.** The commissioner shall make allocations for the state fiscal year
76.4 starting July 1, ~~2019~~ 2023, and to each county board or Tribal government on or before
76.5 October 10, ~~2019~~ 2023. The commissioner shall make allocations under subdivision 1 to
76.6 each county board or Tribal government each year thereafter on or before July 10.

76.7 Subd. 3. ~~Prohibition on supplanting existing money Purpose of expenditures.~~ Money
76.8 received under this section must be used ~~for staffing for protection of vulnerable adults or~~
76.9 ~~to meet the agency's duties under section 626.557 and to expand adult protective services~~
76.10 ~~to stop, prevent, and reduce risks of maltreatment for adults accepted for services under~~
76.11 ~~section 626.557 or for multidisciplinary teams under section 626.5571. Money must not be~~
76.12 ~~used to supplant current county or tribe expenditures for these purposes.~~

76.13 Subd. 4. **Required expenditures.** State money must be used to expand, not supplant,
76.14 county or Tribal expenditures for the fiscal year 2023 base for adult protection programs,
76.15 service interventions, or multidisciplinary teams. This prohibition on county or Tribal
76.16 expenditures supplanting state money ends July 1, 2027.

76.17 Subd. 5. **County performance on adult protection measures.** The commissioner must
76.18 set vulnerable adult protection measures and standards for money received under this section.
76.19 The commissioner must require an underperforming county to demonstrate that the county
76.20 designated money allocated under this section for the purpose required and implemented a
76.21 reasonable strategy to improve adult protection performance, including the development of
76.22 a performance improvement plan and additional remedies identified by the commissioner.
76.23 The commissioner may redirect up to 20 percent of an underperforming county's money
76.24 under this section toward the performance improvement plan.

87.17 Subd. 6. **American Indian adult protection.** Tribal Nations receiving money under
87.18 this section must establish vulnerable adult protection measures and standards and report
87.19 annually to the commissioner on these outcomes and the number of adults served.

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

87.21 Sec. 10. Minnesota Statutes 2022, section 256R.02, subdivision 19, is amended to read:

87.22 Subd. 19. **External fixed costs.** "External fixed costs" means costs related to the nursing
87.23 home surcharge under section 256.9657, subdivision 1; licensure fees under section 144.122;
87.24 family advisory council fee under section 144A.33; scholarships under section 256R.37;
87.25 planned closure rate adjustments under section 256R.40; consolidation rate adjustments
87.26 under section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d;
87.27 single-bed room incentives under section 256R.41; property taxes, special assessments, and
87.28 payments in lieu of taxes; employer health insurance costs; quality improvement incentive
87.29 payment rate adjustments under section 256R.39; performance-based incentive payments
87.30 under section 256R.38; special dietary needs under section 256R.51; Public Employees
87.31 Retirement Association employer costs; and ~~border city~~ facility-specific rate adjustments
87.32 modifications under section 256R.481.

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

76.25 Subd. 6. **American Indian adult protection.** Tribal Nations shall establish vulnerable
76.26 adult protection measures and standards and report annually to the commissioner on these
76.27 outcomes and the number of adults served.

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

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

76.30 Subdivision 1. **Audit authority.** (a) The commissioner shall provide for an audit of the
76.31 cost and statistical data of nursing facilities participating as vendors of medical assistance.
76.32 The commissioner shall select for audit at least 15 percent of the nursing facilities' data
76.33 reported at random or using factors including, but not limited to: data reported to the public
77.1 as criteria for rating nursing facilities; data used to set limits for other medical assistance
77.2 programs or vendors of services to nursing facilities; change in ownership; frequent changes
77.3 in administration in excess of normal turnover rates; complaints to the commissioner of
77.4 health about care, safety, or rights; where previous inspections or reinspections under section
77.5 144A.10 have resulted in correction orders related to care, safety, or rights; or where persons
77.6 involved in ownership or administration of the facility have been indicted for alleged criminal
77.7 activity.

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

88.1 Sec. 11. Minnesota Statutes 2022, section 256R.17, subdivision 2, is amended to read:

88.2 Subd. 2. **Case mix indices.** (a) The commissioner shall assign a case mix index to each

88.3 case mix classification ~~based on the Centers for Medicare and Medicaid Services staff time~~

88.4 ~~measurement study~~ as determined by the commissioner of health under section 144.0724.

88.5 (b) An index maximization approach shall be used to classify residents. "Index

88.6 maximization" has the meaning given in section 144.0724, subdivision 2, paragraph (c).

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

88.8 **256R.25 EXTERNAL FIXED COSTS PAYMENT RATE.**

88.9 (a) The payment rate for external fixed costs is the sum of the amounts in paragraphs

88.10 (b) to ~~(o)~~.

88.11 (b) For a facility licensed as a nursing home, the portion related to the provider surcharge

88.12 under section 256.9657 is equal to \$8.86 per resident day. For a facility licensed as both a

88.13 nursing home and a boarding care home, the portion related to the provider surcharge under

88.14 section 256.9657 is equal to \$8.86 per resident day multiplied by the result of its number

88.15 of nursing home beds divided by its total number of licensed beds.

88.16 (c) The portion related to the licensure fee under section 144.122, paragraph (d), is the

88.17 amount of the fee divided by the sum of the facility's resident days.

88.18 (d) The portion related to development and education of resident and family advisory

88.19 councils under section 144A.33 is \$5 per resident day divided by 365.

88.20 (e) The portion related to scholarships is determined under section 256R.37.

88.21 (f) The portion related to planned closure rate adjustments is as determined under section

88.22 256R.40, subdivision 5, and Minnesota Statutes 2010, section 256B.436.

88.23 (g) The portion related to consolidation rate adjustments shall be as determined under

88.24 section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d.

88.25 (h) The portion related to single-bed room incentives is as determined under section

88.26 256R.41.

88.27 (i) The portions related to real estate taxes, special assessments, and payments made in

88.28 lieu of real estate taxes directly identified or allocated to the nursing facility are the allowable

88.29 amounts divided by the sum of the facility's resident days. Allowable costs under this

88.30 paragraph for payments made by a nonprofit nursing facility that are in lieu of real estate

88.31 taxes shall not exceed the amount which the nursing facility would have paid to a city or

77.14 (c) Within the limits of available appropriations, the commissioner may contract with a

77.15 third party to conduct audits as necessary in order to meet the requirements of this subdivision

77.16 and the notice of rates requirement under section 256R.09, subdivision 1.

77.17 **EFFECTIVE DATE.** This section is effective for rate years beginning January 1, 2024.

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

77.19 Subd. 2. **Case mix indices.** (a) The commissioner shall assign a case mix index to each

77.20 case mix classification ~~based on the Centers for Medicare and Medicaid Services staff time~~

77.21 ~~measurement study~~ as determined by the commissioner of health under section 144.0724.

77.22 (b) An index maximization approach shall be used to classify residents. "Index

77.23 maximization" has the meaning given in section 144.0724, subdivision 2, paragraph (c).

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

77.25 **256R.25 EXTERNAL FIXED COSTS PAYMENT RATE.**

77.26 (a) The payment rate for external fixed costs is the sum of the amounts in paragraphs

77.27 (b) to ~~(o)~~ ~~(p)~~.

77.28 (b) For a facility licensed as a nursing home, the portion related to the provider surcharge

77.29 under section 256.9657 is equal to \$8.86 per resident day. For a facility licensed as both a

77.30 nursing home and a boarding care home, the portion related to the provider surcharge under

77.31 section 256.9657 is equal to \$8.86 per resident day multiplied by the result of its number

77.32 of nursing home beds divided by its total number of licensed beds.

78.1 (c) The portion related to the licensure fee under section 144.122, paragraph (d), is the

78.2 amount of the fee divided by the sum of the facility's resident days.

78.3 (d) The portion related to development and education of resident and family advisory

78.4 councils under section 144A.33 is \$5 per resident day divided by 365.

78.5 (e) The portion related to scholarships is determined under section 256R.37.

78.6 (f) The portion related to planned closure rate adjustments is as determined under section

78.7 256R.40, subdivision 5, and Minnesota Statutes 2010, section 256B.436.

78.8 (g) The portion related to consolidation rate adjustments shall be as determined under

78.9 section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d.

78.10 (h) The portion related to single-bed room incentives is as determined under section

78.11 256R.41.

78.12 (i) The portions related to real estate taxes, special assessments, and payments made in

78.13 lieu of real estate taxes directly identified or allocated to the nursing facility are the allowable

78.14 amounts divided by the sum of the facility's resident days. Allowable costs under this

78.15 paragraph for payments made by a nonprofit nursing facility that are in lieu of real estate

78.16 taxes shall not exceed the amount which the nursing facility would have paid to a city or

89.1 township and county for fire, police, sanitation services, and road maintenance costs had
89.2 real estate taxes been levied on that property for those purposes.

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

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

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

89.9 (m) The portion related to performance-based incentive payments is the amount
89.10 determined under section 256R.38.

89.11 (n) The portion related to special dietary needs is the amount determined under section
89.12 256R.51.

89.13 (o) The portion related to the rate adjustments for ~~border city facilities~~ facility-specific
89.14 rate modifications is the amount determined under section 256R.481.

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

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

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

89.19 **256R.47 RATE ADJUSTMENT FOR CRITICAL ACCESS NURSING**
89.20 **FACILITIES.**

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

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

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

78.17 township and county for fire, police, sanitation services, and road maintenance costs had
78.18 real estate taxes been levied on that property for those purposes.

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

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

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

78.25 (m) The portion related to performance-based incentive payments is the amount
78.26 determined under section 256R.38.

78.27 (n) The portion related to special dietary needs is the amount determined under section
78.28 256R.51.

78.29 (o) The portion related to the rate adjustments for ~~border city facilities~~ is the amount
78.30 determined under section 256R.481.

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

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

79.2 **256R.47 RATE ADJUSTMENT FOR CRITICAL ACCESS NURSING**
79.3 **FACILITIES.**

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

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

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

90.7 section must be in the form of time-limited rate adjustments included in the external fixed
 90.8 payment rate under section 256R.25.

90.9 (1) partial rebasing, with the commissioner allowing a designated facility operating
 90.10 payment rates being the sum of up to 60 percent of the operating payment rate determined
 90.11 in accordance with section 256R.21, subdivision 3, and at least 40 percent, with the sum of
 90.12 the two portions being equal to 100 percent, of the operating payment rate that would have
 90.13 been allowed had the facility not been designated. The commissioner may adjust these
 90.14 percentages by up to 20 percent and may approve a request for less than the amount allowed;

90.15 (2) enhanced payments for leave days. Notwithstanding section 256R.43, upon
 90.16 designation as a critical access nursing facility, the commissioner shall limit payment for
 90.17 leave days to 60 percent of that nursing facility's total payment rate for the involved resident,
 90.18 and shall allow this payment only when the occupancy of the nursing facility, inclusive of
 90.19 bed hold days, is equal to or greater than 90 percent;

90.20 (3) two designated critical access nursing facilities, with up to 100 beds in active service,
 90.21 may jointly apply to the commissioner of health for a waiver of Minnesota Rules, part
 90.22 4658.0500, subpart 2, in order to jointly employ a director of nursing. The commissioner
 90.23 of health shall consider each waiver request independently based on the criteria under
 90.24 Minnesota Rules, part 4658.0040;

90.25 (4) the minimum threshold under section 256B.431, subdivision 15, paragraph (c), shall
 90.26 be 40 percent of the amount that would otherwise apply; and

90.27 (5) the quality-based rate limits under section 256R.23, subdivisions 5 to 7, apply to
 90.28 designated critical access nursing facilities.

90.29 (d) Designation of a critical access nursing facility is for a maximum period of up to
 90.30 two years, after which the ~~benefits~~ benefit allowed under paragraph (c) shall be removed.
 90.31 Designated facilities may apply for continued designation.

90.32 (e) ~~This section is suspended and no state or federal funding shall be appropriated or~~
 90.33 ~~allocated for the purposes of this section from January 1, 2016, to December 31, 2019.~~

91.1 (e) The memorandum of understanding required by paragraph (c) must state that the
 91.2 designation of a critical access nursing facility must be removed if the facility undergoes a
 91.3 change of ownership as defined in section 144A.06, subdivision 2.

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

91.5 Sec. 14. Minnesota Statutes 2022, section 256R.481, is amended to read:

91.6 **256R.481 FACILITY-SPECIFIC RATE ADJUSTMENTS FOR BORDER CITY**
 91.7 **FACILITIES MODIFICATIONS.**

91.8 Subdivision 1. **Border city facilities.** (a) The commissioner shall allow each nonprofit
 91.9 nursing facility located within the boundaries of the city of Breckenridge or Moorhead prior

79.20 section must be in the form of time-limited rate adjustments included in the external fixed
 79.21 costs payment rate under section 256R.25.

79.22 (1) partial rebasing, with the commissioner allowing a designated facility operating
 79.23 payment rates being the sum of up to 60 percent of the operating payment rate determined
 79.24 in accordance with section 256R.21, subdivision 3, and at least 40 percent, with the sum of
 79.25 the two portions being equal to 100 percent, of the operating payment rate that would have
 79.26 been allowed had the facility not been designated. The commissioner may adjust these
 79.27 percentages by up to 20 percent and may approve a request for less than the amount allowed;

79.28 (2) enhanced payments for leave days. Notwithstanding section 256R.43, upon
 79.29 designation as a critical access nursing facility, the commissioner shall limit payment for
 79.30 leave days to 60 percent of that nursing facility's total payment rate for the involved resident,
 79.31 and shall allow this payment only when the occupancy of the nursing facility, inclusive of
 79.32 bed hold days, is equal to or greater than 90 percent;

79.33 (3) two designated critical access nursing facilities, with up to 100 beds in active service,
 79.34 may jointly apply to the commissioner of health for a waiver of Minnesota Rules, part
 80.1 4658.0500, subpart 2, in order to jointly employ a director of nursing. The commissioner
 80.2 of health shall consider each waiver request independently based on the criteria under
 80.3 Minnesota Rules, part 4658.0040;

80.4 (4) the minimum threshold under section 256B.431, subdivision 15, paragraph (c), shall
 80.5 be 40 percent of the amount that would otherwise apply; and

80.6 (5) the quality-based rate limits under section 256R.23, subdivisions 5 to 7, apply to
 80.7 designated critical access nursing facilities.

80.8 (d) Designation of a critical access nursing facility is for a maximum period of up to
 80.9 two years, after which the ~~benefits~~ benefit allowed under paragraph (c) shall be removed.
 80.10 Designated facilities may apply for continued designation.

80.11 (e) ~~This section is suspended and no state or federal funding shall be appropriated or~~
 80.12 ~~allocated for the purposes of this section from January 1, 2016, to December 31, 2019.~~

80.13 (e) The memorandum of understanding required by paragraph (c) must state that the
 80.14 designation of a critical access nursing facility must be removed if the facility undergoes a
 80.15 change of ownership as defined in section 144A.06, subdivision 2.

91.10 to January 1, 2015, to apply once annually for a rate add-on to the facility's external fixed
91.11 costs payment rate.

91.12 (b) A facility seeking an add-on to its external fixed costs payment rate under this section
91.13 must apply annually to the commissioner to receive the add-on. A facility must submit the
91.14 application within 60 calendar days of the effective date of any add-on under this section.
91.15 The commissioner may waive the deadlines required by this paragraph under extraordinary
91.16 circumstances.

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

91.19 (d) The add-on to the external fixed costs payment rate is the difference on January 1
91.20 of the median total payment rate for case mix classification PA1 of the nonprofit facilities
91.21 located in an adjacent city in another state and in cities contiguous to the adjacent city minus
91.22 the eligible nursing facility's total payment rate for case mix classification PA1 as determined
91.23 under section 256R.22, subdivision 4.

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

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

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

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

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

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

92.10 Subd. 4. Nursing facility in Red Wing. The operating payment rate for a facility located
92.11 in the city of Red Wing at 1412 West 4th Street is the sum of its direct care costs per
92.12 standardized day, its other care-related costs per resident day, and its other operating costs
92.13 per day.

80.16 Sec. 10. Minnesota Statutes 2022, section 256R.53, is amended by adding a subdivision
80.17 to read:

80.18 Subd. 3. Nursing facility in Red Wing. (a) The operating payment rate for a facility
80.19 located in the city of Red Wing at 1412 West 4th Street is the sum of its direct care costs
80.20 per standardized day, its other care-related costs per resident day, and its other operating
80.21 costs per day.

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

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

92.16 Subd. 2. **Foster care limit.** The elderly waiver payment for the foster care service in

92.17 combination with the payment for all other elderly waiver services, including case

92.18 management, must not exceed the monthly case mix budget cap for the participant as

92.19 specified in sections 256S.18, subdivision 3, and 256S.19, subdivisions subdivision 3 and

92.20 4.

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

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

92.23 to read:

92.24 Subd. 3a. **Monthly case mix budget caps for consumer-directed community**

92.25 **supports.** The monthly case mix budget caps for each case mix classification for

92.26 consumer-directed community supports must be equal to the monthly case mix budget caps

92.27 in subdivision 3.

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

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

93.2 Subd. 3. ~~Calculation of monthly conversion budget eap without consumer-directed~~

93.3 ~~community supports caps.~~ (a) The elderly waiver monthly conversion budget cap for the

93.4 cost of elderly waiver services without consumer-directed community supports must be

93.5 based on the nursing facility case mix adjusted total payment rate of the nursing facility

93.6 where the elderly waiver applicant currently resides for the applicant's case mix classification

93.7 as determined according to section 256R.17.

93.8 (b) The elderly waiver monthly conversion budget cap for the cost of elderly waiver

93.9 services without consumer-directed community supports shall must be calculated by

93.10 multiplying the applicable nursing facility case mix adjusted total payment rate by 365,

93.11 dividing by 12, and subtracting the participant's maintenance needs allowance.

93.12 (c) A participant's initially approved monthly conversion budget cap for elderly waiver

93.13 services without consumer-directed community supports shall must be adjusted at least

93.14 annually as described in section 256S.18, subdivision 5.

93.15 (d) Conversion budget caps for individuals participating in consumer-directed community

93.16 supports must be set as described in paragraphs (a) to (c).

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

80.22 (b) This subdivision expires June 30, 2025.

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

93.18 Sec. 20. Minnesota Statutes 2022, section 256S.203, subdivision 1, is amended to read:

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

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

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

93.28 Subd. 2. **Reimbursement rates.** Medical assistance rates paid to customized living
93.29 providers by managed care organizations under this chapter must not exceed the monthly
93.30 service rate limits and component rates as determined by the commissioner under sections
93.31 256S.15 and 256S.20 to 256S.202, plus any rate adjustment or special payment under section
93.32 256S.205 or 256S.206.

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

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

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

94.8 (1) at least ~~83.5~~ 80 percent of the residents of the facility are customized living residents;
94.9 ~~and~~

94.10 (2) at least ~~70~~ 50 percent of the customized living residents are elderly waiver participants.

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

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

94.15 Subd. 5. **Rate adjustment; rate floor.** (a) Notwithstanding the 24-hour customized
94.16 living monthly service rate limits under section 256S.202, subdivision 2, and the component
94.17 service rates established under section 256S.201, subdivision 4, the commissioner must
94.18 establish a rate floor equal to ~~\$119~~ \$139 per resident per day for 24-hour customized living
94.19 services provided to an elderly waiver participant in a designated disproportionate share
94.20 facility.

94.21 (b) The commissioner must apply the rate floor to the services described in paragraph
94.22 (a) provided during the rate year.

94.23 (c) The commissioner must adjust the rate floor by the same amount and at the same
94.24 time as any adjustment to the 24-hour customized living monthly service rate limits under
94.25 section 256S.202, subdivision 2.

94.26 (d) The commissioner shall not implement the rate floor under this section if the
94.27 customized living rates established under sections 256S.21 to 256S.215 will be implemented
94.28 at 100 percent on January 1 of the year following an application year.

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

95.1 Sec. 24. **[256S.206] ASSISTED LIVING FACILITY CLOSURE PAYMENTS.**

95.2 Subdivision 1. **Assisted living facility closure payments provided.** The commissioner
95.3 of human services shall establish a special payment program to support licensed assisted
95.4 living facilities who serve waiver participants under section 256B.49 and chapter 256S
95.5 when the assisted living facility is acting to close the facility as outlined in section 144G.57.
95.6 The payments must support the facility to meet the health and safety needs of residents
95.7 during facility occupancy and revenue decline.

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

95.10 (b) "Closure period" means the number of days in the approved closure plan for the
95.11 eligible facility as determined by the commissioner of health under section 144G.57, not to
95.12 exceed 60 calendar days.

95.13 (c) "Eligible claim" means a claim for customized living services and 24-hour customized
95.14 living services provided to waiver participants under section 256B.49 and chapter 256S
95.15 during the eligible facility's closure period.

95.16 (d) "Eligible facility" means a licensed assisted living facility that has an approved
95.17 closure plan, as determined by the commissioner of health under section 144G.57, that is
95.18 acting to close the facility and no longer serve residents in that setting. A facility where a
95.19 provider is relinquishing an assisted living facility license to transition to a different license
95.20 type is not an eligible facility.

95.21 Subd. 3. **Application.** (a) An eligible facility may apply to the commissioner of human
95.22 services for assisted living closure transition payments in the manner prescribed by the
95.23 commissioner.

95.24 (b) The commissioner shall notify the facility within 14 calendars days of the facility's
95.25 application about the result of the application, including whether the facility meets the
95.26 definition of an eligible facility.

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

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

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

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

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

96.5 **256S.21 RATE SETTING; APPLICATION; EVALUATION.**

96.6 Subdivision 1. **Application of rate setting.** The ~~payment~~ rate methodologies in sections
96.7 256S.2101 to 256S.215 apply to:

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

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

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

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

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

96.17 (1) the base wage index;

96.18 (2) the factors and supervision wage components; and

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

96.20 (b) Beginning January 15, 2026, and every two years thereafter, the commissioner shall
96.21 report to the chairs and ranking minority members of the legislative committees and divisions
96.22 with jurisdiction over health and human services finance and policy with a full report on
96.23 the information and data gathered under paragraph (a).

96.24 Subd. 3. **Cost reporting.** (a) As determined by the commissioner, in consultation with
96.25 stakeholders, a provider enrolled to provide services with rates determined under this chapter
96.26 must submit requested cost data to the commissioner to support evaluation of the rate
96.27 methodologies in this chapter. Requested cost data may include but are not limited to:

96.28 (1) worker wage costs;

96.29 (2) benefits paid;

96.30 (3) supervisor wage costs;

97.1 (4) executive wage costs;

97.2 (5) vacation, sick, and training time paid;

97.3 (6) taxes, workers' compensation, and unemployment insurance costs paid;

97.4 (7) administrative costs paid;

97.5 (8) program costs paid;

97.6 (9) transportation costs paid;

97.7 (10) vacancy rates; and

97.8 (11) other data relating to costs required to provide services requested by the
97.9 commissioner.

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

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

97.21 (d) The commissioner shall analyze cost documentation in paragraph (a) and, in
97.22 consultation with stakeholders, may submit recommendations on rate methodologies in this
97.23 chapter, including ways to monitor and enforce the spending requirements directed in section
97.24 256S.2101, subdivision 3, through the reports directed by subdivision 2.

97.25 **EFFECTIVE DATE.** Subdivisions 1 and 2 are effective January 1, 2024. Subdivision
97.26 3 is effective January 1, 2025.

97.27 Sec. 26. Minnesota Statutes 2022, section 256S.2101, subdivision 2, is amended to read:

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

98.3 (1) beginning January 1, 2024, the sum of ~~18.8~~ 27.8 percent of the rates calculated under
98.4 sections 256S.211 to 256S.215, and ~~81.2~~ 72.2 percent of the rates calculated using the rate
98.5 methodology in effect as of June 30, 2017. ~~The rate for home-delivered meals shall be the~~
98.6 ~~sum of the service rate in effect as of January 1, 2019, and the increases described in section~~
98.7 ~~256S.215, subdivision 15; and~~

98.8 (2) beginning January 1, 2026, the sum of 25 percent of the rates calculated under sections
98.9 256S.211 to 256S.215, and 75 percent of the rates calculated using the rate methodology
98.10 in effect as of June 30, 2017.

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

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

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

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

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

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

98.25 (1) wages and salaries;

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

98.28 (3) the employer's paid share of health and dental insurance, life insurance, disability
98.29 insurance, long-term care insurance, uniform allowance, pensions, and contributions to
98.30 employee retirement accounts; and

99.1 (4) benefits that address direct support professional workforce needs above and beyond
99.2 what employees were offered prior to the implementation of the adjusted phase-in in
99.3 subdivision 2, including any concurrent or subsequent adjustments to the base wage indices.

99.4 (c) Compensation-related costs for persons employed in the central office of a corporation
99.5 or entity that has an ownership interest in the provider or exercises control over the provider,
99.6 or for persons paid by the provider under a management contract, do not count toward the
99.7 80 percent requirement under this subdivision.

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

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

80.25 **256S.211 RATE SETTING; RATE ESTABLISHMENT UPDATING RATES;**
80.26 **EVALUATION; COST REPORTING.**

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

81.1 Subd. 2. **Establishing Updating rates.** ~~By January 1 of each year, The commissioner~~
81.2 ~~shall establish factors; update component rates; and rates effective January 1, 2024, according~~
81.3 ~~to sections 256S.213 and 256S.212 to 256S.215, using the factor and base wages established~~
81.4 ~~according to section 256S.212 values the commissioner used to establish rates effective~~
81.5 ~~January 1, 2019.~~

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

- 81.11 (b) For the purposes of this subdivision, compensation-related costs include:
- 81.12 (1) wages and salaries;
- 81.13 (2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment
- 81.14 taxes, workers' compensation, and mileage reimbursement;
- 81.15 (3) the employer's paid share of health and dental insurance, life insurance, disability
- 81.16 insurance, long-term care insurance, uniform allowance, pensions, and contributions to
- 81.17 employee retirement accounts; and
- 81.18 (4) benefits that address direct support professional workforce needs above and beyond
- 81.19 what employees were offered prior to the implementation of any rate adjustments under
- 81.20 this section, including any concurrent or subsequent adjustments to the base wage indices.
- 81.21 (c) Compensation-related costs for persons employed in the central office of a corporation
- 81.22 or entity that has an ownership interest in the provider or exercises control over the provider,
- 81.23 or for persons paid by the provider under a management contract, do not count toward the
- 81.24 80 percent requirement under this subdivision.
- 81.25 (d) A provider agency or individual provider that receives additional revenue subject to
- 81.26 the requirements of this subdivision shall prepare, and upon request submit to the
- 81.27 commissioner, a distribution plan that specifies the amount of money the provider expects
- 81.28 to receive that is subject to the requirements of this subdivision, including how that money
- 81.29 was or will be distributed to increase compensation-related costs for employees. Within 60
- 81.30 days of final implementation of the new phase-in proportion or adjustment to the base wage
- 81.31 indices subject to the requirements of this subdivision, the provider must post the distribution
- 81.32 plan and leave it posted for a period of at least six months in an area of the provider's
- 81.33 operation to which all employees have access. The posted distribution plan must include
- 82.1 instructions regarding how to contact the commissioner, or the commissioner's representative,
- 82.2 if an employee has not received the compensation-related increase described in the plan.
- 82.3 Subd. 4. **Evaluation of rate setting.** (a) Beginning January 1, 2024, and every two years
- 82.4 thereafter, the commissioner, in consultation with stakeholders, shall use all available data
- 82.5 and resources to evaluate the following rate setting elements:
- 82.6 (1) the base wage index;
- 82.7 (2) the factors and supervision wage components; and
- 82.8 (3) the formulas to calculate adjusted base wages and rates.
- 82.9 (b) Beginning January 15, 2026, and every two years thereafter, the commissioner shall
- 82.10 report to the chairs and ranking minority members of the legislative committees and divisions
- 82.11 with jurisdiction over health and human services finance and policy with a full report on
- 82.12 the information and data gathered under paragraph (a).

- 82.13 Subd. 5. **Cost reporting.** (a) As determined by the commissioner, in consultation with
 82.14 stakeholders, a provider enrolled to provide services with rates determined under this chapter
 82.15 must submit requested cost data to the commissioner to support evaluation of the rate
 82.16 methodologies in this chapter. Requested cost data may include but is not limited to:
- 82.17 (1) worker wage costs;
 - 82.18 (2) benefits paid;
 - 82.19 (3) supervisor wage costs;
 - 82.20 (4) executive wage costs;
 - 82.21 (5) vacation, sick, and training time paid;
 - 82.22 (6) taxes, workers' compensation, and unemployment insurance costs paid;
 - 82.23 (7) administrative costs paid;
 - 82.24 (8) program costs paid;
 - 82.25 (9) transportation costs paid;
 - 82.26 (10) vacancy rates; and
 - 82.27 (11) other data relating to costs required to provide services requested by the
 82.28 commissioner.
- 82.29 (b) At least once in any five-year period, a provider must submit cost data for a fiscal
 82.30 year that ended not more than 18 months prior to the submission date. The commissioner
 83.1 shall provide each provider a 90-day notice prior to the provider's submission due date. If
 83.2 by 30 days after the required submission date a provider fails to submit required reporting
 83.3 data, the commissioner shall provide notice to the provider, and if by 60 days after the
 83.4 required submission date a provider has not provided the required data the commissioner
 83.5 shall provide a second notice. The commissioner shall temporarily suspend payments to the
 83.6 provider if cost data are not received 90 days after the required submission date. Withheld
 83.7 payments must be made once data is received by the commissioner.
- 83.8 (c) The commissioner shall coordinate the cost reporting activities required under this
 83.9 section with the cost reporting activities directed under section 256B.4914, subdivision 10a.
- 83.10 (d) The commissioner shall analyze cost documentation in paragraph (a) and, in
 83.11 consultation with stakeholders, may submit recommendations on rate methodologies in this
 83.12 chapter, including ways to monitor and enforce the spending requirements directed in
 83.13 subdivision 3, through the reports directed by subdivision 4.
- 83.14 **EFFECTIVE DATE.** Subdivisions 2 to 4 are effective January 1, 2024, or upon federal
 83.15 approval, whichever is later. The commissioner of human services shall notify the revisor
 83.16 of statutes when federal approval is obtained. Subdivision 5 is effective January 1, 2025.

99.20 Sec. 29. Minnesota Statutes 2022, section 256S.211, is amended by adding a subdivision
99.21 to read:

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

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

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

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

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

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

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

100.4 Subd. 4. **Updating home-delivered meals rate.** On January 1 of each year, the
100.5 commissioner shall update the home-delivered meals rate in section 256S.215, subdivision
100.6 15, by the percent increase in the nursing facility dietary per diem using the two most recently
100.7 available nursing facility cost reports.

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

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

100.10 **256S.212 RATE SETTING; BASE WAGE INDEX.**

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

100.15 Subd. 2. **Home management and support services base wage.** For customized living,
100.16 and foster care, ~~and residential care~~ component services, the home management and support
100.17 services base wage equals 33.33 percent of the Minneapolis-St. Paul-Bloomington, MN-WI
100.18 MetroSA average wage for home health and personal ~~and home~~ care aide (SOC code ~~39-9021~~
100.19 ~~31-1120~~); 33.33 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average
100.20 wage for food preparation workers (SOC code 35-2021); and 33.34 percent of the
100.21 Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and
100.22 housekeeping cleaners (SOC code 37-2012).

100.23 Subd. 3. **Home care aide base wage.** For customized living, and foster care, ~~and~~
100.24 ~~residential care~~ component services, the home care aide base wage equals ~~50~~ 75 percent of
100.25 the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health
100.26 and personal care aides (SOC code ~~31-1011~~ 31-1120); and ~~50~~ 25 percent of the
100.27 Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants
100.28 (SOC code ~~31-1014~~ 31-1131).

100.29 Subd. 4. **Home health aide base wage.** For customized living, and foster care, ~~and~~
100.30 ~~residential care~~ component services, the home health aide base wage equals ~~20~~ 33.33 percent
100.31 of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed
100.32 practical and licensed vocational nurses (SOC code 29-2061); ~~and 80~~ 33.33 percent of the
101.1 Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants
101.2 (SOC code ~~31-1014~~ 31-1131); and 33.34 percent of the Minneapolis-St. Paul-Bloomington,
101.3 MN-WI MetroSA average wage for home health and personal care aides (SOC code
101.4 ~~31-1120~~).

101.5 Subd. 5. **Medication setups by licensed nurse base wage.** For customized living, and
101.6 foster care, ~~and residential care~~ component services, the medication setups by licensed nurse
101.7 base wage equals ~~ten~~ 25 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA
101.8 average wage for licensed practical and licensed vocational nurses (SOC code 29-2061);
101.9 and ~~90~~ 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average
101.10 wage for registered nurses (SOC code 29-1141).

101.11 Subd. 6. **Chore services base wage.** The chore services base wage equals ~~100~~ 50 percent
101.12 of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for landscaping
101.13 and groundskeeping workers (SOC code 37-3011); and 50 percent of the Minneapolis-St.
101.14 Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners
101.15 (SOC code 37-2012).

101.16 Subd. 7. **Companion services base wage.** The companion services base wage equals
101.17 ~~50~~ 80 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage
101.18 for home health and personal ~~and home~~ care aides (SOC code ~~39-9021~~ 31-1120); and ~~50~~
101.19 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for
101.20 maids and housekeeping cleaners (SOC code 37-2012).

101.21 Subd. 8. **Homemaker services and assistance with personal care base wage.** The
101.22 homemaker ~~services and~~ assistance with personal care base wage equals ~~60~~ 50 percent of
101.23 the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health
101.24 and personal ~~and home~~ care aide aides (SOC code ~~39-9021~~ 31-1120); ~~20~~ and 50 percent of
101.25 the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants
101.26 (SOC code ~~31-1014~~ 31-1131); and 20 percent of the Minneapolis-St. Paul-Bloomington,
101.27 MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).

101.28 Subd. 9. **Homemaker services and cleaning base wage.** The homemaker ~~services and~~
101.29 cleaning base wage equals 60 percent of the Minneapolis-St. Paul-Bloomington, MN-WI
101.30 MetroSA average wage for personal and home care aide (SOC code 39-9021); 20 percent

101.31 ~~of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing~~
101.32 ~~assistants (SOC code 31-1014); and 20~~ 100 percent of the Minneapolis-St. Paul-Bloomington,
101.33 ~~MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).~~

102.1 Subd. 10. **Homemaker services and home management base wage.** The homemaker
102.2 ~~services and~~ home management base wage equals ~~60~~ 50 percent of the Minneapolis-St.
102.3 Paul-Bloomington, MN-WI MetroSA average wage for home health and personal ~~and home~~
102.4 ~~care aide aides~~ (SOC code ~~39-9021~~ 31-1120); ~~20~~ and 50 percent of the Minneapolis-St.
102.5 Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code
102.6 ~~31-1014~~ 31-1131); and ~~20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI~~
102.7 ~~MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).~~

102.8 Subd. 11. **In-home respite care services base wage.** The in-home respite care services
102.9 base wage equals ~~five~~ 15 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA
102.10 average wage for registered nurses (SOC code 29-1141); 75 percent of the Minneapolis-St.
102.11 Paul-Bloomington, MN-WI MetroSA average wage for ~~nursing assistants~~ home health and
102.12 ~~personal care aides~~ (SOC code ~~31-1014~~ 31-1120); and ~~20~~ ten percent of the Minneapolis-St.
102.13 Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed
102.14 vocational nurses (SOC code 29-2061).

102.15 Subd. 12. **Out-of-home respite care services base wage.** The out-of-home respite care
102.16 services base wage equals ~~five~~ 15 percent of the Minneapolis-St. Paul-Bloomington, MN-WI
102.17 MetroSA average wage for registered nurses (SOC code 29-1141); 75 percent of the
102.18 Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for ~~nursing assistants~~
102.19 ~~home health and personal care aides~~ (SOC code ~~31-1014~~ 31-1120); and ~~20~~ ten percent of
102.20 the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical
102.21 and licensed vocational nurses (SOC code 29-2061).

102.22 Subd. 13. **Individual community living support base wage.** The individual community
102.23 living support base wage equals ~~20~~ 60 percent of the Minneapolis-St. Paul-Bloomington,
102.24 MN-WI MetroSA average wage for ~~licensed practical and licensed vocational nurses social~~
102.25 ~~and human services assistants~~ (SOC code ~~29-2061~~ 21-1093); and ~~80~~ 40 percent of the
102.26 Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants
102.27 (SOC code ~~31-1014~~ 31-1131).

102.28 Subd. 14. **Registered nurse base wage.** The registered nurse base wage equals 100
102.29 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for
102.30 registered nurses (SOC code 29-1141).

102.31 Subd. 15. **Social worker Unlicensed supervisor base wage.** The ~~social worker~~
102.32 unlicensed supervisor base wage equals 100 percent of the Minneapolis-St.
102.33 Paul-Bloomington, MN-WI MetroSA average wage for ~~medical and public health social~~
102.34 ~~first-line supervisors of personal service workers~~ (SOC code ~~21-1022~~ 39-1022).

103.1 Subd. 16. **Adult day services base wage.** The adult day services base wage equals 75
103.2 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home

103.3 health and personal care aides (SOC code 31-1120); and 25 percent of the Minneapolis-St.
103.4 Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code
103.5 31-1131).

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

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

103.8 **256S.213 RATE SETTING; FACTORS.**

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

103.12 Subd. 2. **General and administrative factor.** The general and administrative factor is
103.13 the difference of net general and administrative expenses and administrative salaries, divided
103.14 by total operating expenses for all nursing facilities on the most recent and available cost
103.15 report 14.4 percent.

103.16 Subd. 3. **Program plan support factor.** (a) The program plan support factor is 12.8 ten
103.17 percent for the following services to cover the cost of direct service staff needed to provide
103.18 support for home and community-based the service when not engaged in direct contact with
103.19 participants:

103.20 (1) adult day services;

103.21 (2) customized living; and

103.22 (3) foster care.

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

103.26 (1) chore services;

103.27 (2) companion services;

103.28 (3) homemaker assistance with personal care;

103.29 (4) homemaker cleaning;

103.30 (5) homemaker home management;

104.1 (6) in-home respite care;

104.2 (7) individual community living support; and

104.3 (8) out-of-home respite care.

104.4 Subd. 4. **Registered nurse management and supervision factor wage component.** The
104.5 registered nurse management and supervision ~~factor~~ wage component equals 15 percent of
104.6 the registered nurse adjusted base wage as defined in section 256S.214.

104.7 Subd. 5. **Social worker Unlicensed supervisor supervision ~~factor~~ wage**
104.8 **component.** The ~~social worker~~ unlicensed supervisor supervision ~~factor~~ wage component
104.9 equals 15 percent of the ~~social worker~~ unlicensed supervisor adjusted base wage as defined
104.10 in section 256S.214.

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

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

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

- 104.17 (1) chore services;
- 104.18 (2) companion services;
- 104.19 (3) homemaker assistance with personal care;
- 104.20 (4) homemaker cleaning;
- 104.21 (5) homemaker home management;
- 104.22 (6) in-home respite care;
- 104.23 (7) individual community support services; and
- 104.24 (8) out-of-home respite care.

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

- 104.26 (1) adult day services;
- 104.27 (2) chore services;
- 104.28 (3) companion services;
- 104.29 (4) homemaker assistance with personal care;
- 105.1 (5) homemaker cleaning;
- 105.2 (6) homemaker home management;
- 105.3 (7) in-home respite care;
- 105.4 (8) individual community living support; and

105.5 (9) out-of-home respite care.

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

105.7 Sec. 33. Minnesota Statutes 2022, section 256S.214, is amended to read:

105.8 **256S.214 RATE SETTING; ADJUSTED BASE WAGE.**

105.9 For the purposes of section 256S.215, the adjusted base wage for each position equals

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

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

105.12 section 256S.213, subdivision 1;

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

105.14 ~~section 256S.213, subdivision 2; and~~

105.15 ~~(2)~~ (2) the position's base wage multiplied by the applicable program plan support factor

105.16 under section 256S.213, subdivision 3; and

105.17 (3) the position's base wage multiplied by the absence factor under section 256S.213,

105.18 subdivision 9, if applicable.

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

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

105.21 Subd. 2. **Home management and support services component rate.** The component

105.22 rate for home management and support services is calculated as follows:

105.23 (1) sum the home management and support services adjusted base wage ~~plus~~ and the

105.24 registered nurse management and supervision ~~factor~~ wage component;

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

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

106.1 Sec. 35. Minnesota Statutes 2022, section 256S.215, subdivision 3, is amended to read:

106.2 Subd. 3. **Home care aide services component rate.** The component rate for home care

106.3 aide services is calculated as follows:

106.4 (1) sum the home health aide services adjusted base wage ~~plus~~ and the registered nurse

106.5 management and supervision ~~factor~~ wage component;

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

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

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.

- 106.8 **EFFECTIVE DATE.** This section is effective January 1, 2024.
- 106.9 Sec. 36. Minnesota Statutes 2022, section 256S.215, subdivision 4, is amended to read:
- 106.10 Subd. 4. **Home health aide services component rate.** The component rate for home
- 106.11 health aide services is calculated as follows:
- 106.12 (1) sum the home health aide services adjusted base wage ~~plus~~ and the registered nurse
- 106.13 management and supervision ~~factor~~ wage component;
- 106.14 (2) multiply the result of clause (1) by the general and administrative factor; and
- 106.15 (3) sum the results of clauses (1) and (2).
- 106.16 **EFFECTIVE DATE.** This section is effective January 1, 2024.
- 106.17 Sec. 37. Minnesota Statutes 2022, section 256S.215, subdivision 7, is amended to read:
- 106.18 Subd. 7. **Chore services rate.** The 15-minute unit rate for chore services is calculated
- 106.19 as follows:
- 106.20 (1) sum the chore services adjusted base wage and the ~~social worker~~ unlicensed supervisor
- 106.21 supervision ~~factor~~ wage component; ~~and~~
- 106.22 (2) multiply the result of clause (1) by the general and administrative factor;
- 106.23 (3) multiply the result of clause (1) by the supplies and transportation factor; and
- 106.24 (4) sum the results of clauses (1) to (3) and divide the result ~~of clause (1)~~ by four.
- 106.25 **EFFECTIVE DATE.** This section is effective January 1, 2024.
- 106.26 Sec. 38. Minnesota Statutes 2022, section 256S.215, subdivision 8, is amended to read:
- 106.27 Subd. 8. **Companion services rate.** The 15-minute unit rate for companion services is
- 106.28 calculated as follows:
- 107.1 (1) sum the companion services adjusted base wage and the ~~social worker~~ unlicensed
- 107.2 supervisor supervision ~~factor~~ wage component; ~~and~~
- 107.3 (2) multiply the result of clause (1) by the general and administrative factor;
- 107.4 (3) multiply the result of clause (1) by the supplies and transportation factor; and
- 107.5 (4) sum the results of clauses (1) to (3) and divide the result ~~of clause (1)~~ by four.
- 107.6 **EFFECTIVE DATE.** This section is effective January 1, 2024.
- 107.7 Sec. 39. Minnesota Statutes 2022, section 256S.215, subdivision 9, is amended to read:
- 107.8 Subd. 9. **Homemaker services and assistance with personal care rate.** The 15-minute
- 107.9 unit rate for homemaker ~~services and~~ assistance with personal care is calculated as follows:

- 107.10 (1) sum the homemaker ~~services and~~ assistance with personal care adjusted base wage
107.11 and the ~~registered nurse management and~~ unlicensed supervisor supervision ~~factor~~ wage
107.12 component; ~~and~~
- 107.13 (2) multiply the result of clause (1) by the general and administrative factor;
107.14 (3) multiply the result of clause (1) by the supplies and transportation factor; and
107.15 (4) sum the results of clauses (1) to (3) and divide the result ~~of clause (1)~~ by four.
- 107.16 **EFFECTIVE DATE.** This section is effective January 1, 2024.
- 107.17 Sec. 40. Minnesota Statutes 2022, section 256S.215, subdivision 10, is amended to read:
- 107.18 Subd. 10. **Homemaker services and cleaning rate.** The 15-minute unit rate for
107.19 homemaker ~~services and~~ cleaning is calculated as follows:
- 107.20 (1) sum the homemaker ~~services and~~ cleaning adjusted base wage and the ~~registered~~
107.21 ~~nurse management and~~ unlicensed supervisor supervision ~~factor~~ wage component; ~~and~~
- 107.22 (2) multiply the result of clause (1) by the general and administrative factor;
107.23 (3) multiply the result of clause (1) by the supplies and transportation factor; and
107.24 (4) sum the results of clauses (1) to (3) and divide the result ~~of clause (1)~~ by four.
- 107.25 **EFFECTIVE DATE.** This section is effective January 1, 2024.
- 107.26 Sec. 41. Minnesota Statutes 2022, section 256S.215, subdivision 11, is amended to read:
- 107.27 Subd. 11. **Homemaker services and home management rate.** The 15-minute unit rate
107.28 for homemaker ~~services and~~ home management is calculated as follows:
- 108.1 (1) sum the homemaker ~~services and~~ home management adjusted base wage and the
108.2 ~~registered nurse management and~~ unlicensed supervisor supervision ~~factor~~ wage component;
108.3 ~~and~~
- 108.4 (2) multiply the result of clause (1) by the general and administrative factor;
108.5 (3) multiply the result of clause (1) by the supplies and transportation factor; and
108.6 (4) sum the results of clauses (1) to (3) and divide the result ~~of clause (1)~~ by four.
- 108.7 **EFFECTIVE DATE.** This section is effective January 1, 2024.
- 108.8 Sec. 42. Minnesota Statutes 2022, section 256S.215, subdivision 12, is amended to read:
- 108.9 Subd. 12. **In-home respite care services rates.** (a) The 15-minute unit rate for in-home
108.10 respite care services is calculated as follows:

- 108.11 (1) sum the in-home respite care services adjusted base wage and the registered nurse
108.12 management and supervision ~~factor~~ wage component; ~~and~~
- 108.13 (2) multiply the result of clause (1) by the general and administrative factor;
- 108.14 (3) multiply the result of clause (1) by the supplies and transportation factor; and
- 108.15 (4) sum the results of clauses (1) to (3) and divide the result ~~of clause (1)~~ by four.
- 108.16 (b) The in-home respite care services daily rate equals the in-home respite care services
108.17 15-minute unit rate multiplied by 18.
- 108.18 **EFFECTIVE DATE.** This section is effective January 1, 2024.
- 108.19 Sec. 43. Minnesota Statutes 2022, section 256S.215, subdivision 13, is amended to read:
- 108.20 Subd. 13. **Out-of-home respite care services rates.** (a) The 15-minute unit rate for
108.21 out-of-home respite care is calculated as follows:
- 108.22 (1) sum the out-of-home respite care services adjusted base wage and the registered
108.23 nurse management and supervision ~~factor~~ wage component; ~~and~~
- 108.24 (2) multiply the result of clause (1) by the general and administrative factor;
- 108.25 (3) multiply the result of clause (1) by the supplies and transportation factor; and
- 108.26 (4) sum the results of clauses (1) to (3) and divide the result ~~of clause (1)~~ by four.
- 108.27 (b) The out-of-home respite care services daily rate equals the 15-minute unit rate for
108.28 out-of-home respite care services multiplied by 18.
- 109.1 **EFFECTIVE DATE.** This section is effective January 1, 2024.
- 109.2 Sec. 44. Minnesota Statutes 2022, section 256S.215, subdivision 14, is amended to read:
- 109.3 Subd. 14. **Individual community living support rate.** The individual community living
109.4 support rate is calculated as follows:
- 109.5 (1) sum the ~~home care aide~~ individual community living support adjusted base wage
109.6 and the ~~social worker~~ registered nurse management and supervision ~~factor~~ wage component;
109.7 ~~and~~
- 109.8 (2) multiply the result of clause (1) by the general and administrative factor;
- 109.9 (3) multiply the result of clause (1) by the supplies and transportation factor; and
- 109.10 (4) sum the results of clauses (1) to (3) and divide the result ~~of clause (1)~~ by four.
- 109.11 **EFFECTIVE DATE.** This section is effective January 1, 2024.

109.12 Sec. 45. Minnesota Statutes 2022, section 256S.215, subdivision 15, is amended to read:

109.13 Subd. 15. **Home-delivered meals rate.** Effective January 1, 2024, the home-delivered
109.14 meals rate equals \$9.30 is \$8.17, updated as directed in section 256S.211, subdivision 4.
109.15 The commissioner shall increase the home-delivered meals rate every July 1 by the percent
109.16 increase in the nursing facility dietary per diem using the two most recent and available
109.17 nursing facility cost reports.

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

109.19 Sec. 46. Minnesota Statutes 2022, section 256S.215, subdivision 16, is amended to read:

109.20 Subd. 16. **Adult day services rate.** The 15-minute unit rate for adult day services, with
109.21 an assumed staffing ratio of one staff person to four participants, is the sum of is calculated
109.22 as follows:

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

109.27 (2) one-fourth of the registered nurse management and supervision factor sum the result
109.28 of clause (1) and the registered nurse management and supervision wage component; and

109.29 (3) \$0.63 to cover the cost of meals; multiply the result of clause (2) by the general and
109.30 administrative factor;

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

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

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

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

110.5 Sec. 47. Minnesota Statutes 2022, section 256S.215, subdivision 17, is amended to read:

110.6 Subd. 17. **Adult day services bath rate.** The 15-minute unit rate for adult day services
110.7 bath is the sum of calculated as follows:

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

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

84.1 Sec. 13. Minnesota Statutes 2022, section 256S.215, subdivision 15, is amended to read:

84.2 Subd. 15. **Home-delivered meals rate.** The home-delivered meals rate equals \$9.30 is
84.3 the rate in effect on July 1, 2023, adjusted by 15.8 percent. The commissioner shall increase
84.4 the home delivered meals rate every July 1 by the percent increase in the nursing facility
84.5 dietary per diem using the two most recent and available nursing facility cost reports.

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

110.14 (3) ~~\$0.63 to cover the cost of meals~~, multiply the result of clause (1) by the facility and
110.15 ~~equipment factor~~;
110.16 (4) multiply the result of clause (1) by the food, supplies, and transportation factor; and
110.17 (5) sum the results of clauses (1) to (4) and divide the result by four.
110.18 **EFFECTIVE DATE.** This section is effective January 1, 2024.

84.7 Sec. 14. ~~Laws 2021, chapter 30, article 12, section 5, as amended by Laws 2021, First~~
84.8 ~~Special Session chapter 7, article 17, section 2, is amended to read:~~
84.9 Sec. 5. **GOVERNOR'S COUNCIL ON AN AGE-FRIENDLY MINNESOTA.**
84.10 The Governor's Council on an Age-Friendly Minnesota, established in Executive Order
84.11 19-38, shall: (1) work to advance age-friendly policies; and (2) coordinate state, local, and
84.12 private partners' collaborative work on emergency preparedness, with a focus on older
84.13 adults, communities, and persons in zip codes most impacted by the COVID-19 pandemic.
84.14 The Governor's Council on an Age-Friendly Minnesota is extended and expires June 30,
84.15 ~~2024~~ 2027.
84.16 Sec. 15. ~~Laws 2021, First Special Session chapter 7, article 17, section 8, is amended to~~
84.17 ~~read:~~
84.18 Sec. 8. **AGE-FRIENDLY MINNESOTA.**
84.19 Subdivision 1. **Age-friendly community grants.** (a) This act includes \$0 in fiscal year
84.20 2022 and \$875,000 in fiscal year 2023 for age-friendly community grants. The commissioner
84.21 of human services, in collaboration with the Minnesota Board on Aging and the Governor's
84.22 Council on an Age-Friendly Minnesota, established in Executive Order 19-38, shall develop
84.23 the age-friendly community grant program to help communities, including cities, counties,
84.24 other municipalities, Tribes, and collaborative efforts, to become age-friendly communities,
84.25 with an emphasis on structures, services, and community features necessary to support older
84.26 adult residents over the next decade, including but not limited to:
84.27 (1) coordination of health and social services;
84.28 (2) transportation access;
84.29 (3) safe, affordable places to live;
84.30 (4) reducing social isolation and improving wellness;
85.1 (5) combating ageism and racism against older adults;
85.2 (6) accessible outdoor space and buildings;
85.3 (7) communication and information technology access; and
85.4 (8) opportunities to stay engaged and economically productive.

110.19 Sec. 48. **DIRECTION TO COMMISSIONER; FUTURE PACE IMPLEMENTATION**
110.20 **FUNDING.**

110.21 The commissioner of human services must work collaboratively with stakeholders to
110.22 undertake an actuarial analysis of medical assistance costs for nursing home eligible
110.23 beneficiaries for the purposes of establishing a monthly medical assistance capitation rate
110.24 for the program of all-inclusive care for the elderly (PACE). The analysis must account for
110.25 all sources of state medical assistance expenditures for nursing home eligible beneficiaries
110.26 including, but not limited to, capitation payments to plans and additional state expenditures
110.27 to skilled nursing facilities consistent with Code of Federal Regulations, title 42, section
110.28 447, and long-term care costs. The commissioner must also estimate the administrative
110.29 costs associated with implementing and monitoring PACE. The commissioner must provide
110.30 a report to the chairs and ranking minority members of the legislative committees with
110.31 jurisdiction over health care funding of the actuarial analysis, proposed capitation rate, and
111.1 estimated administrative costs by December 15, 2023. The commissioner shall recommend
111.2 a financing mechanism and administrative framework by March 1, 2024. By September 1,
111.3 2024, the commissioner shall inform the chairs and ranking minority members of the
111.4 legislative committees with jurisdiction over health care funding on the commissioner's
111.5 progress toward developing a recommended financing mechanism. For purposes of this
111.6 section, the commissioner may issue or extend a request for proposal to an outside vendor.

85.5 The general fund base in this act for this purpose is \$875,000 in fiscal year 2024 and \$0
85.6 \$3,000,000 in fiscal year 2025.

85.7 (b) All grant activities must be completed by March 31, ~~2024~~ 2027.

85.8 (c) This subdivision expires June 30, ~~2024~~ 2027.

85.9 Subd. 2. **Technical assistance grants.** (a) This act includes \$0 in fiscal year 2022 and
85.10 \$575,000 in fiscal year 2023 for technical assistance grants. The commissioner of human
85.11 services, in collaboration with the Minnesota Board on Aging and the Governor's Council
85.12 on an Age-Friendly Minnesota, established in Executive Order 19-38, shall develop the
85.13 age-friendly technical assistance grant program. The general fund base in this act for this
85.14 purpose is \$575,000 in fiscal year 2024 and \$0 \$1,725,000 in fiscal year 2025.

85.15 (b) All grant activities must be completed by March 31, ~~2024~~ 2027.

85.16 (c) This subdivision expires June 30, ~~2024~~ 2027.

85.26 Sec. 17. **DIRECTION TO COMMISSIONER; FUTURE PACE IMPLEMENTATION**
85.27 **FUNDING.**

85.28 (a) The commissioner of human services shall work collaboratively with stakeholders
85.29 to undertake an actuarial analysis of Medicaid costs for nursing home eligible beneficiaries
85.30 for the purposes of establishing a monthly Medicaid capitation rate for the program of
85.31 all-inclusive care for the elderly (PACE). The analysis must include all sources of state
86.1 Medicaid expenditures for nursing home eligible beneficiaries, including but not limited to
86.2 capitation payments to plans and additional state expenditures to skilled nursing facilities
86.3 consistent with Code of Federal Regulations, chapter 42, part 447, and long-term care costs.

86.4 (b) The commissioner shall also estimate the administrative costs associated with
86.5 implementing and monitoring PACE.

86.6 (c) The commissioner shall provide a report to the chairs and ranking minority members
86.7 of the legislative committees with jurisdiction over health care finance on the actuarial
86.8 analysis, proposed capitation rate, and estimated administrative costs by December 15,
86.9 2023. The commissioner shall recommend a financing mechanism and administrative
86.10 framework by July 1, 2024.

86.11 (d) By September 1, 2024, the commissioner shall inform the chairs and ranking minority
86.12 members of the legislative committees with jurisdiction over health care finance on the
86.13 commissioner's progress toward developing a recommended financing mechanism. For
86.14 purposes of this section, the commissioner may issue or extend a request for proposal to an
86.15 outside vendor.

111.7 Sec. 49. DIRECTION TO COMMISSIONER; CAREGIVER RESPITE SERVICES
111.8 GRANTS.

111.9 Beginning in fiscal year 2025, the commissioner of human services must continue the
111.10 respite services for older adults grant program established under Laws 2021, First Special
111.11 Session chapter 7, article 17, section 17, subdivision 3, under the authority granted under
111.12 Minnesota Statutes, section 256.9756. The commissioner may begin the grant application
111.13 process for awarding grants under Minnesota Statutes, section 256.9756, during fiscal year
111.14 2024 in order to facilitate the continuity of the grant program during the transition from a
111.15 temporary program to a permanent one.

111.16 Sec. 50. NURSING FACILITY FUNDING.

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

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

111.29 (1) owners of the building and operation;

111.30 (2) persons employed in the central office of an entity that has any ownership interest
111.31 in the nursing facility or exercises control over the nursing facility;

111.32 (3) persons paid by the nursing facility under a management contract; and

112.1 (4) persons providing separately billable services.

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

85.17 Sec. 16. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; CAREGIVER
85.18 RESPITE SERVICES GRANTS.

85.19 Beginning in fiscal year 2025, the commissioner of human services must continue the
85.20 respite services for older adults grant program established under Laws 2021, First Special
85.21 Session chapter 7, article 17, section 17, subdivision 3, under the authority granted under
85.22 Minnesota Statutes, section 256.9756. The commissioner may begin the grant application
85.23 process for awarding grants under Minnesota Statutes, section 256.9756, during fiscal year
85.24 2024 in order to facilitate the continuity of the grant program during the transition from a
85.25 temporary program to a permanent one.

THE FOLLOWING SECTION WAS MOVED IN FROM UES2934-2, ARTICLE
8, SECTION 7

175.24 Sec. 7. APPROPRIATION; NURSING FACILITY GRANTS.

175.25 (a) \$10,000,000 in fiscal year 2024 and \$10,000,000 in fiscal year 2025 are appropriated
175.26 from the general fund to the commissioner of human services for grants to nursing facilities.
175.27 This is a onetime appropriation.

175.28 (b) To be eligible to receive a grant under this section, a nursing facility must apply to
175.29 the commissioner on the forms and according to the timelines established by the
175.30 commissioner. The commissioner must develop an expedited application process that
175.31 includes a form allowing applicants to meet the requirements of this section in as timely a
175.32 manner as possible. The commissioner must allow the use of electronic submission of
175.33 application forms and accept electronic signatures.

112.6 (d) For purposes of this section, compensation-related costs include:

112.7 (1) permanent new increases to wages and salaries implemented on or after July 1, 2023,
112.8 and before September 1, 2023, for nursing facility employees;

112.9 (2) permanent new increases to wages and salaries implemented on or after July 1, 2023,
112.10 and before September 1, 2023, for employees in the organization's shared services
112.11 departments of hospital-attached nursing facilities for the nursing facility allocated share
112.12 of wages; and

112.13 (3) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment
112.14 taxes, PERA, workers' compensation, and pension and employee retirement accounts directly
112.15 associated with the wage and salary increases in clauses (1) and (2) incurred no later than
112.16 December 31, 2025, and paid for no later than June 30, 2026.

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

112.30 (f) By September 1, 2023, a facility must post the distribution plan summary and leave
112.31 it posted for a period of at least six months in an area of the facility to which all employees
112.32 have access. The posted distribution plan summary must be in the form and manner
112.33 determined by the commissioner. The distribution plan summary must include instructions
112.34 regarding how to contact the commissioner, or the commissioner's representative, if an
113.1 employee believes the employee is covered by paragraph (b) or (c) and has not received the
113.2 compensation-related increases described in paragraph (d). The instruction to such employees
113.3 must include the e-mail address and telephone number that may be used by the employee
113.4 to contact the commissioner's representative. The posted distribution plan summary must
113.5 demonstrate how the increase in paragraph (a) received by the nursing facility from July 1,
113.6 2023, through December 1, 2025, will be used in full to pay the compensation-related costs
113.7 in paragraph (d) for employees described in paragraphs (b) and (c).

176.1 (c) An eligible nursing facility must receive a grant in an amount equal to half of the
176.2 facility's estimated lost revenue from March 15, 2020, to January 31, 2022.

176.3 (d) A nursing facility must attest to the commissioner that the grant money will be used
176.4 to:

176.5 (1) pay down debt accrued from March 15, 2020, to January 31, 2022;

176.6 (2) pay for steps taken to mitigate the effects of the COVID-19 pandemic; or

176.7 (3) hire or retain staff.

176.8 (e) A nursing facility that receives a grant under this section must prepare, and submit
176.9 to the commissioner upon request, a plan that specifies the total amount of grant money the
176.10 facility expects to receive and how that money will be used to meet the requirements of
176.11 paragraph (d).

113.8 (g) If the nursing facility expends less on new compensation-related costs than the amount
113.9 that was made available by the rate increase in this section for that purpose, the amount of
113.10 this rate adjustment must be reduced to equal the amount utilized by the facility for purposes
113.11 authorized under this section. If the facility fails to post the distribution plan summary in
113.12 its facility as required, fails to submit its distribution plan to the commissioner by the due
113.13 date, or uses the money for unauthorized purposes, these rate increases must be treated as
113.14 an overpayment and subsequently recovered.

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

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

113.20 Sec. 51. **DIRECTION TO COMMISSIONERS OF HUMAN SERVICES AND**
113.21 **HEALTH; SMALL PROVIDER REGULATORY RELIEF.**

113.22 The commissioners of human services and health must consult with assisted living
113.23 facility license holders who provide customized living and whose facilities are smaller than
113.24 11 beds to compile a list of regulatory requirements, compliance with which is particularly
113.25 difficult for small providers. The commissioners must provide the chairs and ranking minority
113.26 members of the legislative committees with jurisdiction over assisted living licensure and
113.27 customized living with recommendations, including draft legislation, to reduce the regulatory
113.28 burden on small providers.

176.12 (f) The commissioner must not treat grant money received under this section as an
176.13 applicable credit for the purposes of setting total payment rates under Minnesota Statutes,
176.14 chapter 256R.

86.16 Sec. 18. **RATE INCREASE FOR CERTAIN HOME AND COMMUNITY-BASED**
86.17 **SERVICES.**

86.18 The commissioner of human services shall increase payment rates for community living
86.19 assistance and family caregiver services under Minnesota Statutes, sections 256B.0913 and
86.20 256B.0922, and chapter 256S by 15.8 percent from the rates in effect on December 31,
86.21 2023.

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

UES2934-2, ARTICLE 2, SECTION 19, HAS BEEN MOVED OUT TO MATCH
S2934-3, ARTICLE 1, SECTION 59

113.29 Sec. 52. REVISOR INSTRUCTION.

113.30 The revisor of statutes shall change the headnote in Minnesota Statutes, section

113.31 256B.0917, from "HOME AND COMMUNITY-BASED SERVICES FOR OLDER

113.32 ADULTS" to "ELDERCARE DEVELOPMENT PARTNERSHIPS."

114.1 Sec. 53. REPEALER.

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

114.3 repealed.

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

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

114.6 January 1, 2024.

87.6 Sec. 20. REVISOR INSTRUCTION.

87.7 The revisor of statutes shall change the headnote in Minnesota Statutes, section

87.8 256B.0917, from "HOME AND COMMUNITY-BASED SERVICES FOR OLDER

87.9 ADULTS" to "ELDERCARE DEVELOPMENT PARTNERSHIPS."

87.10 Sec. 21. REPEALER.

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

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

87.13 repealed.

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