ARTICLE 8
LICENSING

Section 1. Minnesota Statutes 2022, section 119B.16, subdivision 1a, is amended to read:

(a) This subdivision applies to providers caring for children receiving child care assistance.

(b) A provider may request a fair hearing according to sections 256.045 and 256.046 only if a county agency or the commissioner:

(1) denies or revokes a provider's authorization, unless the action entitles the provider to:

(a) an administrative review under section 119B.161; or

(b) a contested case hearing under section 245.095, subdivision 4;

(2) assigns responsibility for an overpayment to a provider under section 119B.11, subdivision 2a;

(3) establishes an overpayment for failure to comply with section 119B.125, subdivision 6;

(4) seeks monetary recovery or recoupment under section 245E.02, subdivision 4, paragraph (c), clause (2);

(5) initiates an administrative fraud disqualification hearing; or

(6) issues a payment and the provider disagrees with the amount of the payment.

(c) A provider may request a fair hearing by submitting a written request to the Department of Human Services, Appeals Division. A provider's request must be received by the Appeals Division no later than 30 days after the date a county or the commissioner mails the notice.

(d) The provider's appeal request must contain the following:

(1) each disputed item, the reason for the dispute, and, if applicable, an estimate of the dollar amount involved for each disputed item;

(2) the computation the provider believes to be correct, if applicable;

(3) the statute or rule relied on for each disputed item; and

(4) the name, address, and telephone number of the person at the provider's place of business with whom contact may be made regarding the appeal.

ARTICLE 12
LICENSING

THE FOLLOWING SECTION WAS TAKEN OUT OF H0238-3 ARTICLE 1.

H0238-3

Sec. 18. Minnesota Statutes 2022, section 119B.16, subdivision 1a, is amended to read:

(a) This subdivision applies to providers caring for children receiving child care assistance.

(b) A provider may request a fair hearing according to sections 256.045 and 256.046 only if a county agency or the commissioner:

(1) denies or revokes a provider's authorization, unless the action entitles the provider to:

(a) an administrative review under section 119B.161; or

(b) a contested case hearing under section 245.095, subdivision 4;

(2) assigns responsibility for an overpayment to a provider under section 119B.11, subdivision 2a;

(3) establishes an overpayment for failure to comply with section 119B.125, subdivision 6;

(4) seeks monetary recovery or recoupment under section 245E.02, subdivision 4, paragraph (c), clause (2);

(5) initiates an administrative fraud disqualification hearing; or

(6) issues a payment and the provider disagrees with the amount of the payment.

(c) A provider may request a fair hearing by submitting a written request to the Department of Human Services, Appeals Division. A provider's request must be received by the Appeals Division no later than 30 days after the date a county or the commissioner mails the notice.

(d) The provider's appeal request must contain the following:

(1) each disputed item, the reason for the dispute, and, if applicable, an estimate of the dollar amount involved for each disputed item;

(2) the computation the provider believes to be correct, if applicable;

(3) the statute or rule relied on for each disputed item; and

(4) the name, address, and telephone number of the person at the provider's place of business with whom contact may be made regarding the appeal.
ARTICLE 4

Prohibition.

Section 1. Minnesota Statutes 2022, section 245.095, is amended to read:

245.095 LIMITS ON RECEIVING PUBLIC FUNDS.

Subdivision 1. Prohibition. (a) If a provider, vendor, or individual enrolled, licensed, receiving funds under a grant contract, or registered in any program administered by the commissioner, including under the commissioner's powers and authorities in section 256.01, is excluded from that program, the commissioner shall:

(1) prohibit the excluded provider, vendor, or individual from enrolling, becoming licensed, receiving grant funds, or registering in any other program administered by the commissioner; and

(2) disenroll, revoke or suspend a license, disqualify, or debar the excluded provider, vendor, or individual in any other program administered by the commissioner.

(b) If a provider, vendor, or individual enrolled, licensed, receiving funds under a grant contract, or registered in any program administered by a Minnesota state or federal agency is excluded from that program, the commissioner may:

(1) prohibit any associated entities or associated individuals from enrolling, becoming licensed, receiving grant funds, or registering in any other program administered by the commissioner; and

(2) disenroll, revoke or suspend a license, disqualify, or debar any associated entities or associated individuals in any other program administered by the commissioner.

(c) If a provider, vendor, or individual enrolled, licensed, or otherwise receiving funds under any contract or registered in any program administered by a Minnesota state or federal agency is excluded from that program, the commissioner of human services may:

(1) prohibit the excluded provider, vendor, individual, or any associated entities or associated individuals from enrolling, becoming licensed, receiving grant funds, or registering in any program administered by the commissioner; and

(2) disenroll, revoke or suspend a license of, disqualify, or debar the excluded provider, vendor, individual, or any associated entities or associated individuals in any program administered by the commissioner.

(d) The duration of this prohibition, disenrollment, revocation, suspension, disqualification, or debarment under paragraph (a) must last for the longest applicable sanction or disqualifying period in effect for the provider, vendor, or individual permitted by state or federal law. The duration of a prohibition, disenrollment, revocation, suspension, disqualification, or debarment under paragraphs (b) and (c) may last up to the longest sanction or disqualifying period in effect for the provider, vendor, or individual permitted by state or federal law.

Licensor.

Senate Language S2995-3

April 30, 2023 09:31 PM

House Language H0238-3

89.2

ARTICLE 4

89.3

LICENSING

89.4

Section 1. Minnesota Statutes 2022, section 245.095, is amended to read:

89.5

245.095 LIMITS ON RECEIVING PUBLIC FUNDS.

89.6

Subdivision 1. Prohibition. (a) If a provider, vendor, or individual enrolled, licensed, receiving funds under a grant contract, or registered in any program administered by the commissioner, including under the commissioner's powers and authorities in section 256.01, is excluded from that program, the commissioner shall:

89.7

(1) prohibit the excluded provider, vendor, or individual from enrolling, becoming licensed, receiving grant funds, or registering in any other program administered by the commissioner; and

89.8

(2) disenroll, revoke or suspend a license, disqualify, or debar the excluded provider, vendor, or individual in any other program administered by the commissioner.

89.9

(b) If a provider, vendor, or individual enrolled, licensed, receiving funds under a grant contract, or registered in any program administered by the commissioner, including under the commissioner's powers and authorities in section 256.01, is excluded from that program, the commissioner may:

89.10

(1) prohibit any associated entities or associated individuals from enrolling, becoming licensed, receiving grant funds, or registering in any other program administered by the commissioner; and

89.11

(2) disenroll, revoke or suspend a license of, disqualify, or debar any associated entities or associated individuals in any other program administered by the commissioner.

89.12

(c) If a provider, vendor, or individual enrolled, licensed, or otherwise receiving funds under any contract or registered in any program administered by a Minnesota state or federal agency is excluded from that program, the commissioner of human services may:

89.13

(1) prohibit the excluded provider, vendor, individual, or any associated entities or associated individuals from enrolling, becoming licensed, receiving grant funds, or registering in any program administered by the commissioner; and

89.14

(2) disenroll, revoke or suspend a license of, disqualify, or debar the excluded provider, vendor, individual, or any associated entities or associated individuals in any program administered by the commissioner.

89.15

(d) The duration of this prohibition, disenrollment, revocation, suspension, disqualification, or debarment under paragraph (a) must last for the longest applicable sanction or disqualifying period in effect for the provider, vendor, or individual permitted by state or federal law. The duration of a prohibition, disenrollment, revocation, suspension, disqualification, or debarment under paragraphs (b) and (c) may last up to the longest sanction or disqualifying period in effect for the provider, vendor, or individual permitted by state or federal law.
applicable sanction or disqualifying period in effect for the provider, vendor, individual, associated entity, or associated individual as permitted by state or federal law.

Subd. 2. Definitions. (a) For purposes of this section, the following definitions have the meanings given them:

(b) "Associated entity" means a provider or vendor owned or controlled by an excluded individual:

(c) "Associated individual" means an individual or entity that has a relationship with:

(d) "Excluded" means disenrolled, disqualified, having a license that has been revoked or suspended under chapter 245A, or debarred or suspended under Minnesota Rules, part 2230.1150, or excluded pursuant to section 256B.064, subdivision 3 removed under other authorities from a program administered by a Minnesota state or federal agency, including a final determination to stop payments.

(e) "Individual" means a natural person providing products or services as a provider or vendor.

(f) "Provider" includes any entity or individual receiving payment from a program administered by the Department of Human Services, and its owners, controlling individual, license holder, director, or managerial official of an entity receiving payment from a program administered by the Department of Human Services means any entity, individual, owner, controlling individual, license holder, director, or managerial official of an entity receiving payment from a program administered by a Minnesota state or federal agency.

Subd. 3. Notice. Within five days of taking an action under subdivision (1), paragraph (a), (b), or (c), against a provider, vendor, individual, associated individual, or associated entity, the commissioner must send notice of the action to the provider, vendor, individual, associated individual, or associated entity. The notice must state:

(1) the basis for the action;

(2) the effective date of the action;

(3) the right to appeal the action; and

(4) the requirements and procedures for reinstatement.

Subd. 4. Appeal. Upon receipt of a notice under subdivision 3, a provider, vendor, individual, associated individual, or associated entity may request a contested case hearing, as defined in section 14.02, subdivision 3, by filing with the commissioner a written request of appeal. The scope of any contested case hearing is solely limited to action taken under this section. The commissioner must receive the appeal request no later than 30 days after.
the date the notice was mailed to the provider, vendor, individual, associated individual, or associated entity. The appeal request must specify:

(1) each disputed item and the reason for the dispute;
(2) the authority in statute or rule upon which the provider, vendor, individual, associated individual, or associated entity relies for each disputed item;
(3) the name and address of the person or entity with whom contacts may be made regarding the appeal; and
(4) any other information required by the commissioner.

(b) For purposes of this subdivision, "credible allegation of fraud" means an allegation that has been verified by the commissioner from any source, including but not limited to:

(1) fraud hotline complaints;
(2) claims data mining;
(3) patterns identified through provider audits, civil false claims cases, and law enforcement investigations; and
(4) court filings and other legal documents, including but not limited to police reports, complaints, indictments, informations, affidavits, declarations, and search warrants.

(c) The commissioner must send notice of the withholding of payments within five days of taking such action. The notice must:

(1) state that payments are being withheld according to this subdivision;
(2) set forth the general allegations related to the withholding action, except the notice need not disclose specific information concerning an ongoing investigation;
(3) state that the withholding is for a temporary period and cite the circumstances under which the withholding will be terminated; and
(4) inform the provider, vendor, individual, associated individual, or associated entity of the right to submit written evidence to contest the withholding action for consideration by the commissioner.

(d) If the commissioner withholds payments under this subdivision, the provider, vendor, individual, associated individual, or associated entity has a right to request administrative reconsideration. A request for administrative reconsideration must be made in writing, must
331.12 state with specificity the reasons the payment withhold is in error, and must include
331.13 documentation to support the request. Within 60 days from receipt of the request, the
331.14 commissioner must judiciously review allegations, facts, evidence available to the
331.15 commissioner as well as information submitted by the provider, vendor, individual, associated
331.16 individual, or associated entity to determine whether the payment withhold should remain
331.17 in place. The commissioner's decision on reconsideration regarding the payment withhold
331.18 is a final decision.
331.19 (e) The commissioner shall stop withholding payments if the commissioner determines
331.20 there is insufficient evidence of fraud by the provider, vendor, individual, associated
331.21 individual, or associated entity or when legal proceedings relating to the alleged fraud are
331.22 completed, unless the commissioner has sent notice under subdivision 3 to the provider,
331.23 vendor, individual, associated individual, or associated entity.
331.24 (f) The withholding of payments is a temporary action and is not subject to appeal under
331.25 section 256.045 or chapter 14.

Sec. 3. [245.7351] PURPOSE AND ESTABLISHMENT.

The certified community behavioral health clinic model is an integrated payment and
service delivery model that uses evidence-based behavioral health practices to achieve better
outcomes for individuals experiencing behavioral health concerns while achieving sustainable
rates for providers and economic efficiencies for payors.

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

363.12 Sec. 5. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to
read:
363.13 Sec. 5. [245.7352] DEFINITIONS.
363.14 Subd. 1. Definitions. The definitions in this section apply to sections 245.7351 to
363.15 245.7357.
363.16 Subd. 2. Scope. The definitions in this section apply to sections 245.7351 to
363.17 245.7357.
363.18 Subd. 2a. Definitions. (a) For the purposes of this section, the terms in this subdivision
363.19 have the meanings given
363.20 Subd. 2b. "Alcohol and drug counselor" has the meaning given in section 245G.11, subdivision
363.21 5.
363.22 Subd. 2c. "Care coordination" means the activities required to
363.23 coordinate care across settings and providers for the person served to ensure seamless
363.24 transitions across the full spectrum of health services. Care coordination includes outreach and engagement; documenting a plan of care for medical, behavioral health, and social

THE FOLLOWING 15 SECTIONS ON CCBHCS ARE FROM UES2995-2
ARTICLE 7.
UES2995-2
services and supports in the integrated treatment plan; assisting with obtaining appointments; confirming appointments are kept; developing a crisis plan; tracking medication; and implementing care coordination agreements with external providers. Care coordination may include psychiatric consultation to primary care practitioners and mental health clinical care practitioners.

Subd. 3. Certified community behavioral health clinic or CCBHC. "Certified community behavioral health clinic" or "CCBHC" means a program or provider governed under sections 245.7351 to 245.7357.

Subd. 4. Clinical responsibility. "Clinical responsibility" means ensuring a designated collaborating organization meets all clinical parameters required of the CCBHC.

Subd. 5. Commissioner. "Commissioner" means the commissioner of human services.

Subd. 6. Comprehensive evaluation. "Comprehensive evaluation" means a person-centered, family-centered, trauma-informed evaluation completed for the purposes of diagnosis, treatment planning, and determination of client eligibility for services approved by a mental health professional.

Subd. 7. Designated collaborating organization. "Designated collaborating organization" means an entity with a formal agreement with a CCBHC to furnish CCBHC services.

Subd. 8. Designated collaborating organization agreement. "Designated collaborating organization agreement" means a purchase of services agreement between a CCBHC and a designated collaborating organization as evidenced by a contract, memorandum of agreement, memorandum of understanding, or other such formal arrangement that describes specific CCBHC services to be purchased and provided by a designated collaborating organization on behalf of a CCBHC in accordance with federal and state requirements.

Subd. 9. Functional assessment. "Functional assessment" means the assessment of a client's current level of functioning relative to functioning that is appropriate for someone the client's age.

Subd. 10. Financial responsibility. "Financial responsibility" means the responsibility for billing CCBHC services rendered under contract by a designated collaborating organization.

(d) "Community needs assessment" means an assessment to identify community needs and determine the community behavioral health clinic's capacity to address the needs of the population being served.

Subd. 11. "Comprehensive evaluation" means a person-centered, family-centered, trauma-informed evaluation meeting the requirements of subdivision 4b completed for the purposes of diagnosis and treatment planning.

Subd. 12. "Designated collaborating organization" means an entity meeting the requirements of subdivision 3a with a formal agreement with a CCBHC to furnish CCBHC services.

Subd. 13. "Functional assessment" means an assessment of a client's current level of functioning relative to functioning that is appropriate for someone the client's age and that meets the requirements of subdivision 4a.
"Initial evaluation" means an evaluation completed by a mental health professional that gathers and documents information necessary to formulate a preliminary diagnosis and begin client services.

"Integrated treatment plan" means a documented plan of care that is person- and family-centered and formulated to respond to a client's needs including but not limited to recovery supports, with provisions for monitoring progress toward the client's goals.

"Medical director" means a physician who is responsible for overseeing the medical components of the CCBHC services.

"Mental health professional" has the meaning given in section 245I.04, subdivision 2.

"Mobile crisis services" has the meaning given in section 256B.0624, subdivision 2.

"Preliminary screening and risk assessment" means a mandatory screening and risk assessment that is completed at the first contact with the prospective CCBHC service recipient and determines the acuity of client need.

"Preliminary screening and risk assessment" means a screening and risk assessment that is completed at the first contact with the prospective CCBHC service recipient and determines the acuity of recipient need.

"Preliminary treatment plan" means an initial plan of care that is written as a part of all initial evaluations, initial evaluation equivalents, or comprehensive evaluations.

"Needs assessment" means a systematic approach to identifying community needs and determining program capacity to address the needs of the population being served.

"State-sanctioned crisis services" means state-sanctioned crisis services conducted by an entity enrolled to provide crisis services under section 256B.0624.
334.10 Sec. 5. [245.7353] APPLICABILITY.

Subdivision 1. Certification process. (a) The commissioner must establish state certification and recertification processes for certified community behavioral health clinics that satisfy all federal and state requirements necessary for CCBHCs certified under sections 245.7351 to 245.7357 to be eligible for reimbursement under medical assistance, without service area limits based on geographic area or region. The commissioner must consult with CCBHC stakeholders before establishing and implementing changes in the certification or recertification process and requirements.

(b) The commissioner shall recertify a CCBHC provider entity every 36 months using the provider entity’s certification anniversary or December 31. The commissioner may approve a recertification extension in the interest of sustaining services when a specific date for recertification is identified.

(c) The commissioner shall establish a process for decertification of a CCBHC provider entity and shall require corrective action, medical assistance repayment, or decertification of a provider entity that no longer meets the requirements in sections 245.7351 to 245.7357 or that fails to meet the clinical quality standards or administrative standards provided by the commissioner in the application and certification processes.

(d) The commissioner shall provide the following to CCBHC provider entities for the certification, recertification, and decertification processes:

(1) a structured listing of required provider entity certification criteria;

(2) a formal written letter with a determination of certification, recertification, or decertification, signed by the commissioner or the appropriate division director; and

(3) a formal written communication outlining the process for necessary corrective action and follow-up by the commissioner, if applicable, signed by the commissioner or the appropriate division director.

335.1 Subdivision 2. Recertification. (a) The commissioner shall recertify a CCBHC provider entity every 36 months using the provider entity’s certification anniversary or December 31. The commissioner may approve a recertification extension in the interest of sustaining services when a specific date for recertification is identified.

(b) The commissioner shall consult with CCBHC stakeholders before establishing and implementing changes in the certification or recertification process and requirements. Entities that choose to be CCBHCs must:

(1) provide a detailed plan that outlines corrective actions that may be necessary as part of the recertification process;

(2) document and report on corrective actions taken;

(3) document and report on any changes to the certification or recertification process or requirements.

335.2 Subdivision 3. Certified community behavioral health clinics. (a) The commissioner shall establish a state certification process and recertification processes for certified community behavioral health clinics (CCBHCs) that satisfy all federal requirements necessary for CCBHCs certified under this section to be eligible for reimbursement under medical assistance, without service area limits based on geographic area or region. The commissioner shall consult with CCBHC stakeholders before establishing and implementing changes in the certification or recertification process and requirements. Entities that choose to be CCBHCs must:

(1) provide a detailed plan that outlines corrective actions that may be necessary as part of the recertification process;

(2) document and report on corrective actions taken;

(3) document and report on any changes to the certification or recertification process or requirements.

335.3 Subdivision 4. Medicaid. (a) Any changes to the certification or recertification process or requirements must be consistent with the most recently issued Certified Community Behavioral Health Clinic Certification Criteria published by the Substance Abuse and Mental Health Services Administration. The commissioner is authorized to amend the state’s Medicaid state plan or the terms of the demonstration to comply with federal requirements.

(b) As part of the state CCBHC certification and recertification processes, the commissioner shall provide to entities applying for certification or requesting recertification the standard requirements of the community needs assessment and the staffing plan that are consistent with the most recently issued Certified Community Behavioral Health Clinic Certification Criteria published by the Substance Abuse and Mental Health Services Administration.
The commissioner shall schedule a certification review that includes a site visit within 90 calendar days of receipt of an application for certification or recertification.

Entities that choose to be CCBHCs must:

1. complete a community needs assessment and complete a staffing plan that is responsive to the needs identified in the community needs assessment and update both the community needs assessment and the staffing plan no less frequently than every 36 months;

2. comply with state licensing requirements and other requirements issued by the commissioner;

3. employ or contract with a medical director. A medical director must be a physician licensed under chapter 147 and either certified by the American Board of Psychiatry and Neurology, certified by the American Osteopathic Board of Neurology and Psychiatry, or eligible for board certification in psychiatry. A registered nurse who is licensed under sections 148.171 to 148.285 and is certified as a nurse practitioner in adult or family psychiatric and mental health nursing by a national nurse certification organization may serve as the medical director when a CCBHC is unable to employ or contract a qualified physician;

4. employ or contract for clinic staff who have backgrounds in diverse disciplines, including licensed mental health professionals and licensed alcohol and drug counselors, and staff who are culturally and linguistically trained to meet the needs of the population the clinic serves;

5. ensure that clinic services are available and accessible to individuals and families of all ages and genders with access on evenings and weekends and that crisis management services are available 24 hours per day;

6. establish fees for clinic services for individuals who are not enrolled in medical assistance using a sliding fee scale that ensures that services to patients are not denied or limited due to an individual's inability to pay for services;

7. comply with quality assurance reporting requirements and other reporting requirements, including any required reporting of encounter data, clinical outcomes data, and waiting data included in the most recently issued Certified Community Behavioral Health Clinic Certification Criteria published by the Substance Abuse and Mental Health Services Administration;

8. provide crisis mental health and substance use services, withdrawal management services, emergency crisis intervention services, and stabilization services through existing mobile crisis services; screening, assessment, and diagnosis services; including risk assessments and level of care determinations; person- and family-centered treatment planning; outpatient mental health and substance use services; targeted case management; psychiatric rehabilitation services; peer support and counselor services and family support services;
and intensive community-based mental health services, including mental health services for members of the armed forces and veterans. CCBHCs must directly provide the majority of these services to enrollees, but may coordinate some services with another entity through a collaboration or agreement, pursuant to paragraph (b) subdivision 3a;

(2) provide coordination of care across settings and providers to ensure seamless transitions for individuals being served across the full spectrum of health services, including acute, chronic, and behavioral needs; Care coordination may be accomplished through partnerships or formal contracts with:

(i) counties, health plans, pharmacists, pharmacies, rural health clinics, federally qualified health centers, inpatient psychiatric facilities, substance use and detoxification facilities, or community-based mental health providers; and

(ii) other community services, supports, and providers, including schools, child welfare agencies, juvenile and criminal justice agencies, Indian health services clinics, tribally licensed health care and mental health facilities, urban Indian health clinics, Department of Veterans Affairs medical centers, outpatient clinics, drop-in centers, acute care hospitals, and hospital outpatient clinics;

(8) be certified as a mental health clinic under section 245I.20;

(9) be licensed to provide substance use disorder treatment under chapter 245G;

(10) be certified to provide children’s therapeutic services and supports under section 256B.0943;

(11) be enrolled to provide mental health crisis response services under section 256B.0624;

(12) be enrolled to provide adult rehabilitative mental health services under section 256B.0625, subdivision 20;

(13) provide services that comply with the evidence-based practices described in paragraph (e) subdivision 3d; and

(14) provide peer services under sections 256B.0615, 256B.0616, and 245G.07, subdivision 2, clause (8), as applicable when peer services are provided; and
(10) directly employ, or through a formal arrangement utilize, a medically trained behavioral health care provider with independent authority under state law to prescribe and manage medications, including buprenorphine and other medications used to treat opioid and alcohol use disorders.

(19) inform all clients upon initiation of care of the full array of services available under the CCBHC model.

(b) If a certified CCBHC is unable to provide one or more of the services listed in paragraph (a), clause (6) to (17), the CCBHC may contract with another entity that has the required authority to provide that service and that meets the following criteria as a designated collaborating organization:

(1) the entity has a formal agreement with the CCBHC to furnish one or more of the services under paragraph (a), clause (6);

(2) the entity provide assurances that it will provide services according to CCBHC service standards and provider requirements;

(3) the entity agree that the CCBHC is responsible for coordinating care and has clinical and financial responsibility for the services that the entity provides under the agreement and

(4) the entity meets any additional requirements issued by the commissioner.

(c) Notwithstanding any other law that requires a county contract or other form of county approval for certain services listed in paragraph (a), clause (6), a clinic that otherwise meets CCBHC requirements may receive the prospective payment under section 256B.0625, subdivision 5m, for those services without a county contract or county approval. As part of the certification process in paragraph (a), the commissioner shall require a letter of support from the CCBHC’s host county confirming that the CCBHC and the county or counties it serves have an ongoing relationship to facilitate access and continuity of care, especially for individuals who are uninsured or who may go on and off medical assistance.

(d) When the standards listed in paragraph (a) or other applicable standards conflict or address similar issues in duplicative or incompatible ways, the commissioner may grant variances to state requirements if the variances do not conflict with federal requirements for services reimbursed under medical assistance. If standards overlap, the commissioner may substitute all or a part of a licensure or certification that is substantially the same as another licensure or certification. The commissioner shall consult with stakeholders, as described in subdivision 4, before granting variances under this provision. For the CCBHC that is certified but not approved for prospective payment under section 256B.0625, subdivision 5m, the commissioner may grant a variance under this paragraph if the variance does not increase the state share of costs.
The commissioner shall issue a list of required evidence-based practices to be delivered by CCBHCs, and may also provide a list of recommended evidence-based practices. The commissioner may update the list to reflect advances in outcomes research and medical services for persons living with mental illnesses or substance use disorders. The commissioner shall take into consideration the adequacy of evidence to support the efficacy of the practices, the quality of workforce available, and the current availability of the practice in the state. At least 30 days before issuing the initial list and any revisions, the commissioner shall provide stakeholders with an opportunity to comment.

The commissioner shall recertify CCBHCs at least every three years. The commissioner shall establish a process for decertification and shall require corrective action, medical assistance repayment, or decertification of a CCBHC that no longer meets the requirements in this section or that fails to meet the standards provided by the commissioner in the application and certification process.

Sec. 8. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 3b. Exemptions to host county approval. Notwithstanding any other law that requires a county contract or other form of county approval for a service listed in subdivision 3, paragraph (d), clause (8), a CCBHC that meets the requirements of this section may receive the prospective payment under section 256B.0625, subdivision 5m, for that service without a county contract or county approval.

Sec. 9. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 3c. Variances. When the standards listed in this section or other applicable standards conflict or address similar issues in duplicative or incompatible ways, the commissioner may grant variances to state requirements if the variances do not conflict with federal requirements for services reimbursed under medical assistance. If standards overlap, the commissioner may substitute all or a part of a licensure or certification that is substantially the same as another licensure or certification. The commissioner must consult with stakeholders as described in subdivision 1 before granting variances under this subdivision. For the CCBHC that is certified but not approved for prospective payment under section 256B.0625, subdivision 5m, the commissioner may grant a variance under this paragraph if the variance does not increase the state share of costs.
Sec. 12. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 3f. Opportunity to cure. (a) The commissioner shall provide a formal written notice to an applicant for CCBHC certification outlining the determination of the application and process for applicable and necessary corrective action required of the applicant signed by the commissioner or appropriate division director to applicant entities within 30 calendar days of the site visit.

(b) The commissioner may reject an application if the applicant entity does not take all corrective actions specified in the notice and notify the commissioner that the applicant entity has done so within 60 calendar days.

(c) The commissioner must send the applicant entity a final decision on the corrected application within 30 calendar days of the applicant entity's notice to the commissioner that the applicant has taken the required corrective actions.

Sec. 13. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 3g. Decertification process. The commissioner must establish a process for decertification and must require corrective action, medical assistance repayment, or decertification of a CCBHC that no longer meets the requirements in this section or that fails to meet the standards provided by the commissioner in the application, certification, or recertification process.

(a) The commissioner must provide the following to providers for the certification, recertification, and decertification process:

(1) a structured listing of required provider certification criteria;

(2) a formal written letter with a determination of certification, recertification, or decertification, signed by the commissioner or the appropriate division director; and

(b) The commissioner must establish a process for decertification and must require corrective action, medical assistance repayment, or decertification of a CCBHC that no longer meets the requirements in this section.
(3) a formal written communication outlining the process for necessary corrective action and follow-up by the commissioner if applicable.

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

EFFECTIVE DATE. This section is effective upon federal approval. The commissioner of human services must notify the revisor of statutes when federal approval is obtained.

Sec. 14. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 4a. Functional assessment requirements. (a) For adults, a functional assessment may be completed using a Daily Living Activities-20 tool.

(b) Notwithstanding any law to the contrary, a functional assessment performed by a CCBHC that meets the requirements of this subdivision satisfies the requirements in:

(1) section 256B.0623, subdivision 9;

(2) section 245.4711, subdivision 3; and

(3) Minnesota Rules, part 9520.0914, subpart 2.

Sec. 6. [245.7354] MINIMUM STAFFING STANDARDS.

(a) A CCBHC must meet minimum staffing requirements as identified in the certification process.

(b) A CCBHC must employ or contract for clinic staff who have backgrounds in diverse disciplines, including licensed mental health professionals, licensed alcohol and drug counselors, staff who are culturally and linguistically trained to meet the needs of the population the clinic serves, and staff who are trained to make accommodations to meet the needs of clients with disabilities.

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

Sec. 7. [245.7355] REQUIRED SERVICES.

Subdivision 1. Generally. CCBHCs must provide nine core services identified in subdivisions 2 and 3.

Subd. 2. Required services to be provided directly. Unless otherwise specified in sections 245.7351 to 245.7357 and approved by the commissioner, a CCBHC must directly provide the following:

(1) ambulatory withdrawal management services ASAM level 1.0;

(2) treatment planning;
(3) screening, assessment, diagnosis, and risk assessment;

(4) outpatient mental health treatment; and

(5) substance use disorder treatment services for both adult and adolescent populations.

Subd. 3. Direct or contracted required services. A CCBHC must provide the following services directly or via formal relationships with designated collaborating organizations:

1. targeted case management;

2. outpatient primary care screening and monitoring;

3. community-based mental health care for veterans;

4. peer, family support, and counselor services;

5. psychiatric rehabilitation services; and

6. crisis services conducted by a state-sanctioned provider.

Subd. 4. Care coordination required. A CCBHC must directly provide coordination of care across settings and providers to ensure seamless transitions for individuals being served across the full spectrum of health services, including acute, chronic, and behavioral needs.

Subd. 5. Outreach and engagement required. A CCBHC must provide outreach and engagement services to the community, including promoting accessibility and culturally and linguistically competent care, educating prospective CCBHC recipients about available services, and connecting prospective CCBHC recipients with needed services.

Subd. 6. Initial evaluation; required elements. (a) An initial evaluation must be completed by a mental health professional or clinical trainee and must contain all data elements listed in the commissioner's public clinical guidance.

(b) The timing of initial evaluation administration must be determined based on results of the preliminary screening and risk assessment. If a client is assessed to be experiencing a crisis-level behavioral health need, care must follow the timelines established in the CCBHC certification criteria published by the Substance Abuse and Mental Health Services Administration and the commissioner's published clinical guidance.

(c) Initial evaluation equivalents, as defined by the commissioner, may be completed to satisfy the requirement for the initial evaluation under this subdivision.

(d) The initial evaluation must include the following components:

(1) A brief diagnostic assessment under section 245I.10, subdivision 5.
(2) an individual family assessment summary under section 245.4881, subdivisions 3 and 4;
(3) an individual assessment summary under section 245.4711, subdivisions 3 and 4;
(4) a diagnostic assessment under Minnesota Rules, part 9520.0909, subpart 1;
(5) a local agency determination based on a diagnostic assessment under Minnesota Rules, part 9520.0910, subpart 1;
(6) an individual family community support plan and an individual community support plan under Minnesota Rules, part 9520.0914, subparts 1 and 2;
(7) an individual family community support plan under Minnesota Rules, part 9520.0918, subparts 1 and 2; and
(8) an individual community support plan under Minnesota Rules, part 9520.0919, subparts 1 and 2.

Subd. 4b. Requirements for comprehensive evaluations.
(a) A comprehensive evaluation must be completed for all new clients within 60 calendar days following the preliminary screening and risk assessment.

(b) The comprehensive evaluation must be completed by a mental health professional or clinical trainee and must contain all data elements listed in the commissioner's public clinical guidance.

g) When a CCBHC client is engaged in substance use disorder services provided by the CCBHC, the comprehensive evaluation must also be approved by an alcohol and drug counselor.

d) A CCBHC comprehensive evaluation completed according to the standards in subdivision 7 replaces the requirements for a comprehensive assessment in chapter 245G, if the comprehensive evaluation includes a diagnosis of a substance use disorder or a finding that the client does not meet the criteria for a substance use disorder.

e) A comprehensive evaluation must be updated at least annually for all adult clients who continue to engage in behavioral health services, and:

f) when the client's presentation does not appear to align with the current diagnostic formulation; or

Sec. 15. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 7. Comprehensive evaluation; required elements.
(a) All new CCBHC clients must receive a comprehensive, person-centered and family-centered diagnostic and treatment planning evaluation to be completed within 60 calendar days following the preliminary screening and risk assessment.

(b) Only a mental health professional may complete a comprehensive evaluation. The mental health professional must consult with an alcohol and drug counselor when substance use disorder services are deemed clinically appropriate.
(2) when the client or mental health professional suspect the emergence of a new diagnosis.

(f) A comprehensive evaluation update must contain the following components:

(1) a written update detailing all significant new or changed mental health symptoms, as well as a description of how the new or changed symptoms are impacting functioning;

(2) any diagnostic formulation updates, including rationale for new diagnoses as needed; and

(3) a rationale for removal of any existing diagnoses, as needed.

(g) When completing a comprehensive evaluation of a client who is five years of age or younger, the assessor must use the current edition of the DC: 0-5 Diagnostic Classification of Mental Health and Development Disorders of Infancy and Early Childhood published by Zero to Three. The comprehensive evaluation of children age five years and younger:

(1) must include an initial session without the client present and may include treatment to the parents or guardians along with inquiring about the child;

(2) may consist of three to five separate encounters;

(3) must incorporate the level of care assessment;

(4) must be completed prior to recommending additional CCBHC services; and

(5) must not contain scoring of the American Society of Addiction Medicine six dimensions.

(c) The comprehensive evaluation must consist of the synthesis of existing information including but not limited to an external diagnostic assessment, crisis assessment, preliminary screening and risk assessment, initial evaluation, and primary care screenings.

(d) A comprehensive evaluation must be completed in the cultural context of the client and updated to reflect changes in the client's conditions and at the client's request or when the client's condition no longer meets the existing diagnosis.

(e) The psychiatric evaluation and management service fulfills requirements for the comprehensive evaluation when a client of a CCBHC is receiving exclusively psychiatric evaluation and management services. The CCBHC shall complete the comprehensive evaluation within 60 calendar days of a client's referral for additional CCBHC services.

(f) For clients engaging exclusively in substance use disorder services at the CCBHC, a substance use disorder comprehensive assessment as defined in section 245G.05,
For programs governed by sections 245.7351 to 245.7357, the CCBHC comprehensive evaluation requirements in this subdivision satisfy the requirements for:

- (1) a diagnostic assessment or crisis assessment under section 245I.10, subdivision 2, paragraph (a);
- (2) a diagnostic assessment under section 245I.10, subdivisions 4 to 6;
- (3) an initial services plan under section 245G.04, subdivision 1;
- (4) a diagnostic assessment under section 245.4711, subdivision 2;
- (5) a diagnostic assessment under section 245.4881, subdivision 2;

- (6) a diagnostic assessment under Minnesota Rules, part 9520.0910, subpart 1;
- (7) a diagnostic assessment under Minnesota Rules, part 9520.0909, subpart 1; and
- (8) an individual family community support plan and an individual community support plan under Minnesota Rules, part 9520.0914, subpart 2, items A and B.

Notwithstanding any law to the contrary, a comprehensive evaluation performed by a CCBHC that meets the requirements of this subdivision satisfies the requirements in:

- (1) section 245.462, subdivision 20, paragraph (c);
- (2) section 245.4711, subdivision 2, paragraph (b);
- (3) section 245.4871, subdivision 6;
- (4) section 245.4881, subdivision 2, paragraph (c);
- (5) section 245G.04, subdivision 1;
- (6) section 245G.05, subdivision 1;

(7) section 245I.10, subdivisions 4 to 6;

- (8) section 256B.0623, subdivisions 3, clause (4), 8, and 10;
- (9) section 256B.0943, subdivisions 3 and 6, paragraph (b), clause (1);
- (10) Minnesota Rules, part 9520.0909, subpart 1;
- (11) Minnesota Rules, part 9520.0910, subparts 1 and 2; and
- (12) Minnesota Rules, part 9520.0914, subpart 2.

Sec. 16. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 4c. Requirements for initial evaluations. (a) A CCBHC must complete either an initial evaluation or a comprehensive evaluation within ten business days of the preliminary screening and risk assessment.
Notwithstanding any law to the contrary, an initial evaluation performed by a CCBHC that meets the requirements of this subdivision satisfies the requirements in:

1. section 245.4711, subdivision 4;
2. section 245.4881, subdivisions 3 and 4;
3. section 245I.10, subdivision 5;
4. section 256B.0623, subdivisions 3, clause (4), 8, and 10;
5. section 256B.0943, subdivisions 3 and 6, paragraph (b), clauses (1) and (2);
6. Minnesota Rules, part 9520.0909, subpart 1;
7. Minnesota Rules, part 9520.0910, subpart 1;
8. Minnesota Rules, part 9520.0914, subpart 2;
9. Minnesota Rules, part 9520.0918, subparts 1 and 2; and

Sec. 17. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 8. Integrated treatment plan; required elements. (a) An integrated treatment plan must be approved by a mental health professional as defined in section 245I.04, subdivision 2.

(b) An integrated treatment plan must be completed within 60 calendar days following the preliminary screening and risk assessment.

(c) An integrated treatment plan must use a person- and family-centered planning process that includes the client, any family or client-identified natural supports, CCBHC service providers, and care coordination staff.

(d) An integrated treatment plan must be updated at least every six months or earlier based on changes in the client's circumstances.

(e) When a client is engaged in substance use disorder services at a CCBHC, the integrated treatment plan must also be approved by an alcohol and drug counselor as defined in section 245G.11, subdivision 5.

(f) The treatment plan must integrate prevention, medical and behavioral health needs, and service delivery and must be developed by the CCBHC in collaboration with and endorsed by the client, the adult client's family to the extent the client wishes, or family or caregivers of youth and children. The treatment plan must also be coordinated with staff or programs necessary to carry out the plan.
(b) Only a mental health professional may complete an integrated treatment plan. The mental health professional must consult with an alcohol and drug counselor when substance use disorder services are deemed clinically appropriate. An alcohol and drug counselor may approve the integrated treatment plan. The integrated treatment plan must be developed through a shared decision-making process with the client, the client's support system if the client chooses, or, for children, with the family or caregivers.

g) The integrated treatment plan must:

(1) use the ASAM 6 dimensional framework; and

(2) incorporate prevention, medical and behavioral health needs, and service delivery.

(d) The psychiatric evaluation and management service fulfills requirements for the integrated treatment plan when a client of a CCBHC is receiving exclusively psychiatric evaluation and management services. The CCBHC must complete an integrated treatment plan within 60 calendar days of a client's referral for additional CCBHC services.

(e) Notwithstanding any law to the contrary, an integrated treatment plan developed by a CCBHC that meets the requirements of this subdivision satisfies the requirements in:

Subd. 9. Licensing and certification requirements. The requirements for initial evaluations under subdivision 6, comprehensive evaluations under subdivision 7, and integrated treatment plans under subdivision 8 are part of the licensing requirements for substance use disorder treatment programs licensed according to chapter 245G and certification requirements for mental health clinics certified according to section 245I.20 if the program or clinic is part of a CCBHC. The Department of Human Services licensing...
division will review, inspect, and investigate for compliance with the requirements in subdivisions 6 to 8.

Sec. 8. [245.7356] REQUIRED EVIDENCE-BASED SERVICES.

Subdivision 1. Generally. A CCBHC must use evidence-based practices in all services. Treatments must be provided in a manner appropriate for each client’s phase of life and development, specifically considering what is appropriate for children, adolescents, transition-age youth, and older adults, as distinct groups for whom life stage and functioning may affect treatment. Specifically, when treating children and adolescents, a CCBHC must provide evidence-based services that are developmentally appropriate, youth guided, and family and caregiver driven. When treating older adults, an individual client’s desires and functioning must be considered, and appropriate evidence-based treatments must be provided.

Subd. 2. Required evidence-based practices. A CCBHC must use evidence-based practices, including the use of cognitive behavioral therapy, motivational interviewing, stages of change, and trauma treatment appropriate for populations being served.

Subd. 3. Issuance of and amendments to evidence-based practices requirements. The commissioner must issue a list of required evidence-based practices to be delivered by CCBHCs and may also provide a list of recommended evidence-based practices. The commissioner may update the list to reflect advances in outcomes research and medical services for persons living with mental illnesses or substance use disorders. The commissioner shall take into consideration the adequacy of evidence to support the efficacy of the practice across cultures and ages, the workforce available, and the current availability of the practice in the state. At least 30 days before issuing the initial list or issuing any revisions, the commissioner shall provide stakeholders with an opportunity to comment.
At least 30 days before issuing the initial list and any revisions, the commissioner must provide stakeholders with an opportunity to comment.

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

Sec. 9. [245.7357] DESIGNATED COLLABORATING ORGANIZATION.

Subdivision 1. Generally. A CCBHC must directly provide a core set of services listed in section 245.7355, subdivision 2, and may directly provide or contract for the remainder of the services listed in section 245.7355, subdivision 3, with a designated collaborating organization as defined in section 245.7351, subdivision 10, that has the required authority to provide to that service and that meets the criteria as a designated collaborating organization under subdivision 2.

Subd. 2. Designated collaborating organization requirements.

(a) A CCBHC providing CCBHC services via a designated collaborating organization agreement must:

1. have a formal agreement, as defined in section 245.7351, subdivision 11, with the designated collaborating organization to furnish one or more of the allowable services listed under section 245.7355, subdivision 3;

2. ensure that CCBHC services provided by a designated collaborating organization must be provided in accordance with CCBHC service standards and provider requirements;

3. maintain responsibility for coordinating care and clinical and financial responsibility for the services provided by a designated collaborating organization;

4. as applicable and necessary, ensure that a contracted designated collaborating organization participates in CCBHC care coordination activities, including utilizing health information technology to facilitate coordination and care transfers across organizations and arranging access to data necessary for quality and financial operations and reporting;

5. ensure beneficiaries receiving CCBHC services at the designated collaborating organization have access to the CCBHC grievance process;

6. submit all designated collaborating organization agreements for review and approval by the commissioner prior to the designated collaborating organization furnishing CCBHC services; and

7. meet any additional requirements issued by the commissioner.

(b) Designated collaborating organization agreements must be submitted during the certification process. Adding new designated collaborating organization relationships after initial certification requires updates to the CCBHC certification. A CCBHC must update that service and that meets the following criteria as a designated collaborating organization:

1. the entity has a formal agreement with the CCBHC to furnish one or more of the services under subdivision 3, paragraph (d), clause (8);

2. the entity provides assurances that it will provide services according to CCBHC service standards and provider requirements;

3. the entity agrees that the CCBHC is responsible for coordinating care and has clinical and financial responsibility for the services provided by a designated collaborating organization;

4. as applicable and necessary, ensure that a contracted designated collaborating organization participates in CCBHC care coordination activities, including utilizing health information technology to facilitate coordination and care transfers across organizations and arranging access to data necessary for quality and financial operations and reporting;

5. ensure beneficiaries receiving CCBHC services at the designated collaborating organization have access to the CCBHC grievance process;

6. submit all designated collaborating organization agreements for review and approval by the commissioner prior to the designated collaborating organization furnishing CCBHC services; and

7. meet any additional requirements issued by the commissioner.
designated collaborating organization information and the designated collaborating organization agreement with the commissioner a minimum of 30 days prior to the execution of a designated collaborating organization agreement. The commissioner must review and approve or offer recommendations for designated collaborating organization agreement modifications.

(c) Designated collaborating organizations furnishing services under an agreement with CCBHCs must meet all standards established in sections 245.7351 to 245.7357 for the service the designated collaborating organization is providing. CCBHCs maintain responsibility for care coordination and are clinically and financially responsible for CCBHC services provided by a designated collaborating organization.

(d) Designated collaborating organization financial and payment processes must follow those outlined in section 256B.0625, subdivision 5a, paragraph (c), clause (10).

Subd. 3. Designated collaborative organization agreements. Designated collaborative organization agreements must include:

1. The scope of CCBHC services to be furnished;
2. The payment methodology and rates for purchased services;
3. A requirement that the CCBHC maintains financial and clinical responsibility for services provided by the designated collaborating organization;
4. A requirement that the CCBHC retains responsibility for care coordination;
5. A requirement that the designated collaborating organization must have the necessary certifications, licenses, and enrollments to provide the services;
6. A requirement that the staff providing CCBHC services within the designated collaborating organization must have the proper licensure for the services provided;
7. A requirement that the designated collaborating organization meets CCBHC cultural competency and training requirements;
8. A requirement that the designated collaborating organization must follow all federal, state, and CCBHC requirements for confidentiality and data privacy;
9. A requirement that the designated collaborating organization must follow the grievance procedures of the CCBHC;
10. A requirement that the designated collaborating organization must follow the CCBHC requirements for person- and family-centered, recovery-oriented care, being respectful of the individual person's needs, preferences, and values, and ensuring involvement by the person being served and self-direction of services received. Services for children and youth must be family-centered, youth-guided, and developmentally appropriate;
(11) a requirement that clients seeking services must have freedom of choice of providers;
(12) a requirement that the designated collaborating organization must be part of the CCBHCs health information technology system directly or through data integration;
(13) a requirement that the designated collaborating organization must provide all clinical and financial data necessary to support CCBHC required service and billing operations;
(14) a requirement that the CCBHC and the designated collaborating organization have safeguards in place to ensure that the designated collaborating organization does not receive a duplicate payment for services that are included in the CCBHC's daily bundled rate.

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

Sec. 2. Minnesota Statutes 2022, section 245A.02, subdivision 2c, is amended to read:

Subd. 2c. Annual or annually; family child care training requirements. For the purposes of sections 245A.50 to 245A.53, "annual" or "annually" means the 12-month period beginning on the license effective date or the annual anniversary of the effective date and ending on the day prior to the annual anniversary of the license effective date calendar year.

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

Subd. 5b. Cradleboard. "Cradleboard" means a board or frame on which an infant is secured using blankets or other material, such as fabric or leather sides, and laces and often has a frame extending to protect the infant's head. The infant is always placed with the infant's head facing outward, and the infant remains supervised in the cradleboard while sleeping or being carried.

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

Subd. 6b. Experience. For purposes of child care centers, "experience" includes paid or unpaid employment serving children as a teacher, assistant teacher, aide, or a student intern in a licensed child care center, in a public or nonpublic school, or in a program licensed as a family day care or group family day care provider:
(1) caring for children as a teacher, assistant teacher, aide, or student intern:
in a licensed child care center, a licensed family day care or group family day care, or a Tribally licensed child care program in any United States state or territory; or

(ii) in a public or nonpublic school;

(ii) caring for children as a staff person or unsupervised volunteer in a certified, license-exempt child care center under chapter 245H; or

(iii) providing direct contact services in a home or residential facility serving children with disabilities that requires a background study under section 245C.03.

EFFECTIVE DATE.

This section is effective October 1, 2023.

Sec. 5. Minnesota Statutes 2022, section 245A.03, subdivision 2, is amended to read:

Subd. 2. Exclusion from licensure.

(a) This chapter does not apply to:

(1) residential or nonresidential programs that are provided to a person by an individual who is related unless the residential program is a child foster care placement made by a local social services agency or a licensed child-placing agency, except as provided in subdivision 2a;

(2) nonresidential programs that are provided by an unrelated individual to persons from a single related family;

(3) residential or nonresidential programs that are provided to adults who do not misuse substances or have a substance use disorder, a mental illness, a developmental disability, a functional impairment, or a physical disability;

(4) sheltered workshops or work activity programs that are certified by the commissioner of employment and economic development;

(5) programs operated by a public school for children 33 months or older;

(6) nonresidential programs primarily for children that provide care or supervision for periods of less than three hours a day while the child's parent or legal guardian is in the same building as the nonresidential program or present within another building that is directly contiguous to the building in which the nonresidential program is located;

(7) nursing homes or hospitals licensed by the commissioner of health except as specified under section 245A.02;

(8) board and lodge facilities licensed by the commissioner of health that do not provide children's residential services under Minnesota Rules, chapter 2960, mental health or substance use disorder treatment;

(9) homes providing programs for persons placed by a county or a licensed agency for legal adoption, unless the adoption is not completed within two years;

(10) programs licensed by the commissioner of corrections;
(11) recreation programs for children or adults that are operated or approved by a park
and recreation board whose primary purpose is to provide social and recreational activities;

(12) programs operated by a school as defined in section 120A.22, subdivision 4; YMCA
as defined in section 315.44; YWCA as defined in section 315.44; or JCC as defined in
section 315.31, whose primary purpose is to provide child care or services to school-age
children;

(13) Head Start nonresidential programs which operate for less than 45 days in each
calendar year;

(14) noncertified boarding care homes unless they provide services for five or more
persons whose primary diagnosis is mental illness or a developmental disability;

(15) programs for children such as scouting, boys clubs, girls clubs, and sports and art
programs, and nonresidential programs for children provided for a cumulative total of less
than 30 days in any 12-month period;

(16) residential programs for persons with mental illness, that are located in hospitals;

(17) the religious instruction of school-age children; Sabbath or Sunday schools; or the
congregate care of children by a church, congregation, or religious society during the period
used by the church, congregation, or religious society for its regular worship;

(18) camps licensed by the commissioner of health under Minnesota Rules, chapter
4630;

(19) mental health outpatient services for adults with mental illness or children with
emotional disturbance;

(20) residential programs serving school-age children whose sole purpose is cultural or
educational exchange; until the commissioner adopts appropriate rules;

(21) community support services programs as defined in section 245.462, subdivision
6; and family community support services as defined in section 245.4871, subdivision 17;

(22) the placement of a child by a birth parent or legal guardian in a preadoptive home
for purposes of adoption as authorized by section 259.47;

(23) settings registered under chapter 144D which provide home care services licensed
by the commissioner of health to fewer than seven adults;

(24) substance use disorder treatment activities of licensed professionals in private
practice as defined in section 245G.01, subdivision 17;

(25) consumer-directed community support service funded under the Medicaid waiver
for persons with developmental disabilities when the individual who provided the service
is:
(i) the same individual who is the direct payee of these specific waiver funds or paid by a fiscal agent, fiscal intermediary, or employer of record; and
(ii) not otherwise under the control of a residential or nonresidential program that is required to be licensed under this chapter when providing the service;
(26) a program serving only children who are age 33 months or older, that is operated by a nonpublic school; for no more than four hours per day per child, with no more than 20 children at any one time, and that is accredited by:
(i) an accrediting agency that is formally recognized by the commissioner of education as a nonpublic school accrediting organization; or
(ii) an accrediting agency that requires background studies and that receives and investigates complaints about the services provided;
A program that asserts its exemption from licensure under item (ii) shall, upon request from the commissioner, provide the commissioner with documentation from the accrediting agency that verifies: that the accreditation is current; that the accrediting agency investigates complaints about services; and that the accrediting agency's standards require background studies on all people providing direct contact services;
(27) a program operated by a nonprofit organization incorporated in Minnesota or another state that serves youth in kindergarten through grade 12; provides structured, supervised youth development activities; and has learning opportunities take place before or after school, on weekends; or during the summer or other seasonal breaks in the school calendar. A program exempt under this clause is not eligible for child care assistance under chapter 119B. A program exempt under this clause must:
(i) have a director or supervisor on site who is responsible for overseeing written policies relating to the management and control of the daily activities of the program; ensuring the health and safety of program participants; and supervising staff and volunteers;
(ii) have obtained written consent from a parent or legal guardian for each youth participating in activities at the site; and
(iii) have provided written notice to a parent or legal guardian for each youth at the site that the program is not licensed or supervised by the state of Minnesota and is not eligible to receive child care assistance payments;
(28) a county that is an eligible vendor under section 254B.05 to provide care coordination and comprehensive assessment services; or
(29) a recovery community organization that is an eligible vendor under section 254B.05 to provide peer recovery support services; or
Head Start programs that serve only children who are at least three years old but Minnesota must have a program office located within 30 miles of the Minnesota border. Provided and funded according to an approved federal waiver plan where licensure is required. The commissioner shall provide the applicant with instruction in completing the application. Subdivision 1. An entity that is subject to licensure under section 245A.03 must apply for a license. The application must be made on the forms and in the manner prescribed by the commissioner. The commissioner shall provide the applicant with instruction in completing the application and provide information about the rules and requirements of other state agencies that affect the applicant. An applicant seeking licensure in Minnesota with headquarters outside of Minnesota must have a program office located within 30 miles of the Minnesota border. An applicant who intends to buy or otherwise acquire a program or services licensed under the chapter that is owned by another license holder must apply for a license under this chapter and comply with the application procedures in this section and section 245A.03. The commissioner shall act on the application within 90 working days after a complete application and any required reports have been received from other state agencies or departments, counties, municipalities, or other political subdivisions. The commissioner shall not consider an application to be complete until the commissioner receives all of the required information. When the commissioner receives an application for initial licensure that is incomplete because the documents submitted do not meet licensing requirements, the commissioner shall provide the applicant written notice that the application is incomplete or substantially deficient. In the written notice to the applicant the commissioner shall identify documents that are missing or deficient and give the applicant 45 days to resubmit a second application that is substantially complete. An applicant's failure to submit a substantially complete application after receiving notice from the commissioner is a basis for license denial under section 245A.05.

Senate Language S2995-3

---

Section 1. Minnesota Statutes 2022, section 245A.04, subdivision 1, is amended to read:

Subdivision 1. Application for licensure. (a) An individual, organization, or government entity that is subject to licensure under section 245A.03 must apply for a license. The application must be made on the forms and in the manner prescribed by the commissioner. The commissioner shall provide the applicant with instruction in completing the application and provide information about the rules and requirements of other state agencies that affect the applicant. An applicant seeking licensure in Minnesota with headquarters outside of Minnesota must have a program office located within 30 miles of the Minnesota border. An applicant who intends to buy or otherwise acquire a program or services licensed under the chapter that is owned by another license holder must apply for a license under this chapter and comply with the application procedures in this section and section 245A.03. The commissioner shall act on the application within 90 working days after a complete application and any required reports have been received from other state agencies or departments, counties, municipalities, or other political subdivisions. The commissioner shall not consider an application to be complete until the commissioner receives all of the required information. When the commissioner receives an application for initial licensure that is incomplete because the documents submitted do not meet licensing requirements, the commissioner shall provide the applicant written notice that the application is incomplete or substantially deficient. In the written notice to the applicant the commissioner shall identify documents that are missing or deficient and give the applicant 45 days to resubmit a second application that is substantially complete. An applicant's failure to submit a substantially complete application after receiving notice from the commissioner is a basis for license denial under section 245A.05.

(30) Head Start programs that serve only children who are at least three years old but not yet six years old.

(b) For purposes of paragraph (a), clause (6), a building in which a nonresidential program is located if it shares a common wall with the building in which the nonresidential program is located or is attached to that building by skyway, tunnel, atrium, or common roof.

(c) Except for the home and community-based services identified in section 245D.03, subdivision 1, nothing in this chapter shall be construed to require licensure for any services provided and funded according to an approved federal waiver plan where licensure is specifically identified as not being a condition for the services and funding.

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

House Language H0238-3

Page 28

April 30, 2023 09:31 PM
(b) An application for licensure must identify all controlling individuals as defined in section 245A.02, subdivision 5a, and must designate one individual to be the authorized agent. The application must be signed by the authorized agent and must include the authorized agent's first, middle, and last name; mailing address; and email address. By submitting an application for licensure, the authorized agent consents to electronic communication with the commissioner throughout the application process. The authorized agent must be authorized to accept service on behalf of all of the controlling individuals. A government entity that holds multiple licenses under this chapter may designate one authorized agent for each license. Service on the authorized agent is service on all of the controlling individuals. It is not a defense to any action arising under this chapter that service was not made on each controlling individual. The designation of a controlling individual as the authorized agent under this paragraph does not affect the legal responsibility of any other controlling individual under this chapter.

(c) An applicant or license holder must have a policy that prohibits license holders, employees, subcontractors, and volunteers, when directly responsible for persons served by the program, from abusing prescription medication or being in any manner under the influence of a chemical that impairs the individual's ability to provide services or care. The license holder must train employees, subcontractors, and volunteers about the program's drug and alcohol policy.

(d) An applicant and license holder must have a program grievance procedure that permits persons served by the program and their authorized representatives to bring a grievance to the highest level of authority in the program.

(e) The commissioner may limit communication during the application process to the authorized agent or the controlling individuals identified on the license application and for whom a background study was initiated under chapter 245C. Upon implementation of the provider licensing and reporting hub, applicants and license holders must use the hub in the manner prescribed by the commissioner. The commissioner may require the applicant, except for child foster care, to demonstrate competence in the applicable licensing requirements by successfully completing a written examination. The commissioner may develop a prescribed written examination format.

(f) When an applicant is an individual, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Social Security number or Minnesota tax identification number, and federal employer identification number if the applicant has employees;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, if any;

(3) if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(4) the employer name, address, and federal employer identification number for all licenses issued under this chapter or may designate a different authorized agent for each license. Service on the authorized agent is service on all of the controlling individuals. It is not a defense to any action arising under this chapter that service was not made on each controlling individual. The designation of a controlling individual as the authorized agent under this paragraph does not affect the legal responsibility of any other controlling individual under this chapter.

(c) An applicant or license holder must have a policy that prohibits license holders, employees, subcontractors, and volunteers, when directly responsible for persons served by the program, from abusing prescription medication or being in any manner under the influence of a chemical that impairs the individual's ability to provide services or care. The license holder must train employees, subcontractors, and volunteers about the program's drug and alcohol policy.

(d) An applicant and license holder must have a program grievance procedure that permits persons served by the program and their authorized representatives to bring a grievance to the highest level of authority in the program.

(e) The commissioner may limit communication during the application process to the authorized agent or the controlling individuals identified on the license application and for whom a background study was initiated under chapter 245C. Upon implementation of the provider licensing and reporting hub, applicants and license holders must use the hub in the manner prescribed by the commissioner. The commissioner may require the applicant, except for child foster care, to demonstrate competence in the applicable licensing requirements by successfully completing a written examination. The commissioner may develop a prescribed written examination format.

(f) When an applicant is an individual, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Social Security number or Minnesota tax identification number, and federal employer identification number if the applicant has employees;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, if any;

(3) if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;
(4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique
Minnesota Provider Identifier (UMPI) number; and

(5) at the request of the commissioner, the notarized signature of the applicant or
authorized agent.

(6) the notarized signature of the applicant or authorized agent.

(2) at the request of the commissioner, a copy of the most recent filing with the secretary
of state that includes the complete business name, and if doing business under a different
name, the doing business as (DBA) name, as registered with the secretary of state;

(3) a letter signed by the manager, administrator, or other executive of the government
entity authorizing the submission of the license application; and

(4) if applicable, the applicant's NPI number and UMPI number; and

(5) the first, middle, and last name, and address for all individuals who will be controlling
individuals, including all officers, owners, and managerial officials as defined in section
245A.02, subdivision 5a, and the date that the background study was initiated by the applicant
for each controlling individual;

(4) if applicable, the applicant's NPI number and UMPI number; and

(5) the documents that created the organization and that determine the organization's
internal governance and the relations among the persons that own the organization, have
an interest in the organization, or are members of the organization, in each case as provided
or authorized by the organization's governing statute, which may include a partnership
agreement, bylaws, articles of organization, organizational chart, an operating agreement,
or comparable documents as provided in the organization's governing statute; and

(6) the notarized signature of the applicant or authorized agent.

(b) When the applicant is a government entity, the applicant must provide:

(1) the name of the government agency, political subdivision, or other unit of government
seeking the license and the name of the program or services that will be licensed;

(2) the applicant's taxpayer identification numbers including the Minnesota tax
identification number and federal employer identification number;

(3) a letter signed by the manager, administrator, or other executive of the government
entity authorizing the submission of the license application; and

(4) if applicable, the applicant's NPI number and UMPI number.

(i) At the time of application for licensure or renewal of a license under this chapter, the
applicant or license holder must acknowledge on the form provided by the commissioner
if the applicant or license holder elects to receive any public funding reimbursement from
the commissioner for services provided under the license that:
(1) the applicant's or license holder's compliance with the provider enrollment agreement or registration requirements for receipt of public funding may be monitored by the commissioner as part of a licensing investigation or licensing inspection; and

(2) noncompliance with the provider enrollment agreement or registration requirements for receipt of public funding that is identified through a licensing investigation or licensing inspection, or noncompliance with a licensing requirement that is a basis of enrollment for reimbursement for a service, may result in:

(i) a correction order or a conditional license under section 245A.06, or sanctions under section 245A.07;

(ii) nonpayment of claims submitted by the license holder for public program reimbursement;

(iii) recovery of payments made for the service;

(iv) disenrollment in the public payment program; or

(v) other administrative, civil, or criminal penalties as provided by law.

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

97.3 Subd. 4. Inspections; waiver.
(a) Before issuing a license under this chapter, the commissioner shall conduct an inspection of the program. The inspection must include but is not limited to:

(1) an inspection of the physical plant;

(2) an inspection of records and documents;

(3) observation of the program in operation; and

(4) an inspection for the health, safety, and fire standards in licensing requirements for a child care license holder.

(b) The observation in paragraph (a), clause (3), is not required prior to issuing a license under subdivision 7. If the commissioner issues a license under this chapter, these requirements must be completed within one year after the issuance of the license.

(c) Before completing a licensing inspection in a family child care program or child care center, the licensing agency must offer the license holder an exit interview to discuss violations or potential violations of law or rule observed during the inspection and offer technical assistance on how to comply with applicable laws and rules. The commissioner

UES2995-2 ARTICLE 9, SECTION 5 ALSO AMENDS SECTION 245A.04, SUBD. 1, BUT IN AN UNRELATED WAY.
shall not issue a correction order or negative licensing action for violations of law or rule
not discussed in an exit interview, unless a license holder chooses not to participate in an
exit interview or not to complete the exit interview. If the license holder is unable to complete
the exit interview, the licensing agency must offer an alternate time for the license holder
to complete the exit interview.

(d) If a family child care license holder disputes a county licensor's interpretation of a
licensing requirement during a licensing inspection or exit interview, the license holder
may, within five business days after the exit interview or licensing inspection, request
clarification from the commissioner, in writing, in a manner prescribed by the commissioner.
The license holder's request must describe the county licensor's interpretation of the licensing
requirement at issue, and explain why the license holder believes the county licensor's
interpretation is inaccurate. The commissioner and the county must include the license
holder in all correspondence regarding the disputed interpretation, and must provide an
opportunity for the license holder to contribute relevant information that may impact the
commissioner's decision. The county licensor must not issue a correction order related to
the disputed licensing requirement until the commissioner has provided clarification to the
license holder about the licensing requirement.

(e) The commissioner or the county shall inspect at least annually a child care provider licensed under this chapter and Minnesota Rules, chapter 9502 or 9503, for compliance with applicable licensing standards.

(1) No later than November 19, 2017, the commissioner shall make publicly available
on the department's website the results of inspection reports of all child care providers
licensed under this chapter and under Minnesota Rules, chapter 9502 or 9503; and the
number of deaths, serious injuries, and instances of substantiated child maltreatment that
occurred in licensed child care settings each year.

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

Sec. 2. Minnesota Statutes 2022, section 245A.04, subdivision 7a, is amended to read:
Subd. 7a. Notification required.
(a) A license holder must notify the commissioner, in a manner prescribed by the commissioner, before making any change:
(1) to the license holder's controlling individual as defined in section 245A.02, subdivision 3b;
(2) to the license holder's controlling individual as defined in section 245A.02, subdivision 5a;
(b) A license holder must also notify the commissioner, in a manner prescribed by the commissioner, before making any change:
(1) to the license holder's authorized agent as defined in section 245A.02, subdivision 3b;
(2) to the license holder's controlling individual as defined in section 245A.02, subdivision 5a;
Sec. 2. Minnesota Statutes 2022, section 245A.05, is amended to read:

245A.05 DENIAL OF APPLICATION.

(a) The commissioner may deny a license if an applicant or controlling individual:

(1) fails to submit a substantially complete application after receiving notice from the commissioner under section 245A.04, subdivision 1;

(2) fails to comply with applicable laws or rules;

(3) knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license or during an investigation;

(4) has a disqualification that has not been set aside under section 245C.22 and no variance has been granted;

(5) has an individual living in the household who received a background study under section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that has not been set aside under section 245C.22, and no variance has been granted;

(6) is associated with an individual who received a background study under section 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to children or vulnerable adults, and who has a disqualification that has not been set aside under section 245C.22, and no variance has been granted;

(7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

(8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision 6;

(c) When, for reasons beyond the license holder's control, a license holder cannot provide the commissioner with prior notice of the changes in paragraph (b), clauses (1) to (3), the license holder must notify the commissioner by the tenth business day after the change and must provide any additional information requested by the commissioner.

(d) When a license holder notifies the commissioner of a change to the license holder information on file with the secretary of state, the license holder must provide amended articles of incorporation and other documentation of the change.

(e) Upon implementation of the provider licensing and reporting hub, license holders must enter and update information in the hub in a manner prescribed by the commissioner.

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

Sec. 3. Minnesota Statutes 2022, section 245A.05, is amended to read:

245A.05 DENIAL OF APPLICATION.

(a) The commissioner may deny a license if an applicant or controlling individual:

(1) fails to submit a substantially complete application after receiving notice from the commissioner under section 245A.04, subdivision 1;

(2) fails to comply with applicable laws or rules;

(3) knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license or during an investigation;

(4) has a disqualification that has not been set aside under section 245C.22 and no variance has been granted;

(5) has an individual living in the household who received a background study under section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that has not been set aside under section 245C.22, and no variance has been granted;

(6) is associated with an individual who received a background study under section 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to children or vulnerable adults, and who has a disqualification that has not been set aside under section 245C.22, and no variance has been granted;

(7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

(8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision 6;

(c) When, for reasons beyond the license holder's control, a license holder cannot provide the commissioner with prior notice of the changes in paragraph (b), clauses (1) to (3), the license holder must notify the commissioner by the tenth business day after the change and must provide any additional information requested by the commissioner.

(d) When a license holder notifies the commissioner of a change to the license holder information on file with the secretary of state, the license holder must provide amended articles of incorporation and other documentation of the change.

(e) Upon implementation of the provider licensing and reporting hub, license holders must enter and update information in the hub in a manner prescribed by the commissioner.

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

Sec. 3. Minnesota Statutes 2022, section 245A.05, is amended to read:

245A.05 DENIAL OF APPLICATION.

(a) The commissioner may deny a license if an applicant or controlling individual:

(1) fails to submit a substantially complete application after receiving notice from the commissioner under section 245A.04, subdivision 1;

(2) fails to comply with applicable laws or rules;

(3) knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license or during an investigation;

(4) has a disqualification that has not been set aside under section 245C.22 and no variance has been granted;

(5) has an individual living in the household who received a background study under section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that has not been set aside under section 245C.22, and no variance has been granted;

(6) is associated with an individual who received a background study under section 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to children or vulnerable adults, and who has a disqualification that has not been set aside under section 245C.22, and no variance has been granted;

(7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

(8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision 6;

(c) When, for reasons beyond the license holder's control, a license holder cannot provide the commissioner with prior notice of the changes in paragraph (b), clauses (1) to (3), the license holder must notify the commissioner by the tenth business day after the change and must provide any additional information requested by the commissioner.

(d) When a license holder notifies the commissioner of a change to the license holder information on file with the secretary of state, the license holder must provide amended articles of incorporation and other documentation of the change.

(e) Upon implementation of the provider licensing and reporting hub, license holders must enter and update information in the hub in a manner prescribed by the commissioner.

EFFECTIVE DATE. This section is effective the day following final enactment.
(9) has a history of noncompliance as a license holder or controlling individual with applicable laws or rules, including but not limited to this chapter and chapters 119B and 245C;

(10) is prohibited from holding a license according to section 245.095; or

(11) for a family foster setting, has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the individual's ability to safely provide care to foster children.

(b) An applicant whose application has been denied by the commissioner must be given notice of the denial, which must state the reasons for the denial in plain language. Notice must be given by certified mail or, by personal service, or through the provider licensing and reporting hub. The notice must state the reasons the application was denied and must inform the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. If mailed, the appeal must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the notice of denial. If an appeal request is made by personal service, it must be received by the commissioner within 20 calendar days after the applicant received the notice of denial. If the order is issued through the provider hub, the appeal must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. Section 245A.08 applies to hearings held to appeal the commissioner's denial of an application. Effective date. This section is effective the day following final enactment.

EFFECTIVE DATE. This section is effective the day following final enactment.
(5) has an individual living in the household who received a background study under section 245C.03, subdivision 1; paragraph (a), clause (2), who has a disqualification that has not been set aside under section 245C.22; and no variance has been granted;

(6) is associated with an individual who received a background study under section 245C.03, subdivision 1; paragraph (a), clause (6), who may have unsupervised access to children or vulnerable adults, and who has a disqualification that has not been set aside under section 245C.22; and no variance has been granted;

(7) fails to comply with section 245A.04, subdivision 1; paragraph (f) or (g);

(8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision 6;

(9) has a history of noncompliance as a license holder or controlling individual with applicable laws or rules, including but not limited to this chapter and chapters 119B and 245C;

(10) is prohibited from holding a license according to section 245.095;

(11) for a family foster setting, has or has an individual who is living in the household where the licensed services are provided or is otherwise subject to a background study who has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the individual applicant's ability to safely provide care to foster children.

(b) An applicant whose application has been denied by the commissioner must be given notice of the denial, which must state the reasons for the denial in plain language. Notice must be given by certified mail or personal service. The notice must state the reasons the application was denied and must inform the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the commissioner in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the notice of denial. If an appeal request is made by personal service, it must be received by the commissioner within 20 calendar days after the applicant received the notice of denial. Section 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

EFFECTIVE DATE. This section is effective the day following final enactment.
was closed and that the license holder has the right to request reconsideration of the closure.

If the license holder believes that the license was closed in error, the license holder may ask the commissioner to reconsider the closure. The license holder's request for reconsideration must be made in writing and must include documentation that the licensed program has served a client in the previous 12 months. The request for reconsideration must be postmarked and sent to the commissioner or submitted through the provider licensing and reporting hub within 20 calendar days after the license holder receives the notice of closure. Upon implementation of the provider licensing and reporting hub, the provider must use the hub to request reconsideration. If the order is issued through the provider hub, the reconsideration must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. A timely request for reconsideration stays imposition of the license closure until the commissioner issues a decision on the request for reconsideration.

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

Sec. 15. Minnesota Statutes 2022, section 245A.06, subdivision 1, is amended to read:

Subdivision 1. Contents of correction orders and conditional licenses. (a) If the commissioner finds that the applicant or license holder has failed to comply with an applicable law or rule and this failure does not imminently endanger the health, safety, or rights of the persons served by the program, the commissioner may issue a correction order and an order of conditional license to the applicant or license holder. When issuing a conditional license, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of the persons served by the program. The correction order or conditional license must state the following in plain language:

1. the conditions that constitute a violation of the law or rule;
2. the specific law or rule violated;
3. the time allowed to correct each violation; and
4. if a license is made conditional, the length and terms of the conditional license, and the reasons for making the license conditional.

(b) Nothing in this section prohibits the commissioner from proposing a sanction as specified in section 245A.07, prior to issuing a correction order or conditional license.

(c) The commissioner may issue a correction order and an order of conditional license to the applicant or license holder through the provider licensing and reporting hub.

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

Sec. 5. Minnesota Statutes 2022, section 245A.06, subdivision 1, is amended to read:

Subdivision 1. Contents of correction orders and conditional licenses. (a) If the commissioner finds that the applicant or license holder has failed to comply with an applicable law or rule and this failure does not imminently endanger the health, safety, or rights of the persons served by the program, the commissioner may issue a correction order and an order of conditional license to the applicant or license holder. When issuing a conditional license, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of the persons served by the program. The correction order or conditional license must state the following in plain language:

1. the conditions that constitute a violation of the law or rule;
2. the specific law or rule violated;
3. the time allowed to correct each violation; and
4. if a license is made conditional, the length and terms of the conditional license, and the reasons for making the license conditional.

(b) Nothing in this section prohibits the commissioner from proposing a sanction as specified in section 245A.07, prior to issuing a correction order or conditional license.

(c) The commissioner may issue a correction order and an order of conditional license to the applicant or license holder through the provider licensing and reporting hub.

EFFECTIVE DATE. This section is effective the day following final enactment.
Sec. 8. Minnesota Statutes 2022, section 245A.06, subdivision 1, is amended to read:

Subdivision 1. Contents of correction orders and conditional licenses. (a) If the commissioner finds that the applicant or license holder has failed to comply with an applicable law or rule and this failure does not imminently endanger the health, safety, or rights of the persons served by the program, the commissioner may issue a correction order and an order of conditional license to the applicant or license holder. When issuing a conditional license, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of persons served by the program. The correction order or conditional license must state the following in plain language:

1. the specific factual conditions observable or reviewable by the licensor that constitute a violation of the law or rule;
2. the specific law or rule violated;
3. the time allowed to correct each violation; and
4. if a license is made conditional, the length and terms of the conditional license, and the reasons for making the license conditional.

(b) Nothing in this section prohibits the commissioner from proposing a sanction as specified in section 245A.07, prior to issuing a correction order or conditional license.

EFFECTIVE DATE. This section is effective the day following final enactment.
or requirements of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14.

(b) This paragraph applies only to licensed family child care providers. A licensed family child care provider who requests reconsideration of a correction order under paragraph (a) may also request, on a form and in the manner prescribed by the commissioner, that the commissioner expedite the review if:

(1) the provider is challenging a violation and provides a description of how complying with the corrective action for that violation would require the substantial expenditure of funds or a significant change to their program; and

(2) describes what actions the provider will take in lieu of the corrective action ordered to ensure the health and safety of children in care pending the commissioner's review of the correction order.

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

Sec. 7. Minnesota Statutes 2022, section 245A.06, subdivision 4, is amended to read:

(a) A license is made conditional, the license holder must be notified of the order by certified mail, personal service, or through the provider licensing and reporting hub. If mailed, the notice must be mailed to the address shown on the application or the last known address of the license holder. The notice must state the reasons the conditional license was ordered and must inform the license holder of the right to request reconsideration of the conditional license by notifying the commissioner by certified mail, personal service, or through the provider licensing and reporting hub. The request must be made in writing. If sent by certified mail, the request must be postmarked and sent to the commissioner within ten calendar days after the license holder received the order. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order. If the order is issued through the provider hub, the request must be received by the commissioner within ten calendar days from the date the commissioner issued the order through the hub. The license holder may submit with the request for reconsideration written argument or evidence in support of the request for reconsideration. A timely request for reconsideration shall stay imposition of the terms of the conditional license until the commissioner issues a decision on the request for reconsideration. If the commissioner issues a dual order of conditional license under this section and an order to pay a fine under section 245A.07, subdivision 3, the license holder has a right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The scope of the contested case hearing shall include the fine and the conditional license. In this case, a reconsideration of the conditional license will not be conducted under this section. If the license holder does not appeal the fine, the license holder does not have a right to a contested case hearing and a reconsideration of the conditional license must be conducted under this subdivision. If the license holder does not appeal the fine, the license holder does not have a right to a contested case hearing and a reconsideration of the conditional license must be conducted under this subdivision.
The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14.

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

Sec. 9. Minnesota Statutes 2022, section 245A.07, subdivision 1, is amended to read:

Subdivision 1. Sanctions; appeals; license. (a) In addition to making a license conditional under section 245A.06, the commissioner may suspend or revoke the license, impose a fine, or secure an injunction against the continuing operation of the program of a license holder who:

(1) does not comply with applicable law or rule;

(2) has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the license holder's ability to safely provide care to foster children; or

(3) has an individual living in the household where the licensed services are provided or is otherwise subject to a background study, and the individual has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the license holder's ability to safely provide care to foster children.

When applying sanctions authorized under this section, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of persons served by the program.

(b) If a license holder appeals the suspension or revocation of a license and the license holder continues to operate the program pending a final order on the appeal, the commissioner shall issue the license holder a temporary provisional license. Unless otherwise specified by the commissioner, variances in effect on the date of the license sanction under appeal continue under the temporary provisional license. If a license holder fails to comply with applicable law or rule while operating under a temporary provisional license, the commissioner may impose additional sanctions under this section and section 245A.06, and may terminate any prior variance. If a temporary provisional license is set to expire, a new temporary provisional license shall be issued to the license holder upon payment of any fee required under section 245A.10. The temporary provisional license shall expire on the date the final order is issued. If the license holder prevails on the appeal, a new nonprovisional license shall be issued for the remainder of the current license period.

(c) If a license holder is under investigation and the license issued under this chapter is due to expire before completion of the investigation, the program shall be issued a new license upon completion of the reapplication requirements and payment of any applicable license fee. Upon completion of the investigation, a licensing sanction may be imposed against the new license under this section, section 245A.06, or 245A.08.
Section 18. Minnesota Statutes 2022, section 245A.07, subdivision 3, is amended to read:

Subd. 3. License suspension, revocation, or fine. (a) The commissioner may suspend or revoke a license, or impose a fine if:

(1) a license holder fails to comply fully with applicable laws or rules including but not limited to the requirements of this chapter and chapter 245C;

(2) a license holder, a controlling individual, or an individual living in the household where the licensed services are provided or is otherwise subject to a background study has been disqualified and the disqualification was not set aside and no variance has been granted;

(3) a license holder knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license, in connection with the background study status of an individual, during an investigation, or regarding compliance with applicable laws or rules;

(4) a license holder is excluded from any program administered by the commissioner under section 245.095; or

(5) revocation is required under section 245A.04, subdivision 7, paragraph (d).

A license holder who has had a license issued under this chapter suspended, revoked, or has been ordered to pay a fine must be given notice of the action by certified mail, or through the provider licensing and reporting hub. If mailed, the notice must be mailed to the address shown on the application or the last known address of the license holder. The notice must state in plain language the reasons the license was suspended or revoked, or a fine was ordered.

(b) If the license was suspended or revoked, the notice must inform the license holder of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8503 to 1400.8612. The license holder may appeal an order suspending or revoking a license. The appeal of an order suspending or revoking a license must be made in writing by certified mail, or by personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the license has been suspended or revoked. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order. If the order is issued through the provider hub, the appeal must be received by the commissioner within ten calendar days after the license holder received the order. If the order is issued by certified mail from issuing a licensing sanction under this section or section 245A.06 at the conclusion of the investigation.

Subd. 4. Failure to reapply or closure of a license issued under this chapter by the license holder prior to the completion of any investigation shall not preclude the commissioner from issuing a licensing sanction under this section or section 245A.06 at the conclusion of the investigation.

Effective Date. This section is effective the day following final enactment.

EFFECTIVE DATE.

House Language H0238-3

Senate Language S2995-3

April 30, 2023 09:31 PM

101.11 (d) Failure to reapply or closure of a license issued under this chapter by the license holder prior to the completion of any investigation shall not preclude the commissioner from issuing a licensing sanction under this section or section 245A.06 at the conclusion of the investigation.

101.12

101.13

101.14

101.15
calendar days from the date the commissioner issued the order through the hub. Except as
provided in subdivision 2a, paragraph (c), if a license holder submits a timely appeal of an
order suspending or revoking a license, the license holder may continue to operate the
program as provided in section 245A.04, subdivision 7, paragraphs (f) and (g), until the
commissioner issues a final order on the suspension or revocation.

(c)(1) If the license holder was ordered to pay a fine, the notice must inform the license
holder of the responsibility for payment of fines and the right to a contested case hearing
under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an
order to pay a fine must be made in writing by certified mail, personal service, or
through the provider licensing and reporting hub. If mailed, the appeal must be postmarked
and sent to the commissioner within ten calendar days after the license holder receives
notice that the fine has been ordered. If a request is made by personal service, it must be
received by the commissioner within ten calendar days after the license holder receives the
order. If the order is issued through the provider hub, the appeal must be received by the
commissioner within ten calendar days from the date the commissioner issued the order
through the hub.

(2) The license holder shall pay the fines assessed on or before the payment date specified.

If the license holder fails to fully comply with the order, the commissioner may issue a
second fine or suspend the license until the license holder complies. If the license holder
receives state funds, the state, county, or municipal agencies or departments responsible for
administering the funds shall withhold payments and recover any payments made while the
license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine
until the commissioner issues a final order.

(3) A license holder shall promptly notify the commissioner of human services, in writing,
when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the
commissioner determines that a violation has not been corrected as indicated by the order
to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify
the license holder by certified mail, personal service, or through the provider licensing
and reporting hub that a second fine has been assessed. The license holder may appeal the
second fine as provided under this subdivision.

(4) Fines shall be assessed as follows:

(i) the license holder shall forfeit $1,000 for each determination of maltreatment of a
child under chapter 260E or the maltreatment of a vulnerable adult under section 626.557
for which the license holder is determined responsible for the maltreatment under section
260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

(ii) if the commissioner determines that a determination of maltreatment for which the
license holder is responsible is the result of maltreatment that meets the definition of serious
maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit
$5,000;
(iii) for a program that operates out of the license holder's home and a program licensed
under Minnesota Rules, parts 9502.0300 to 9502.0445, the fine assessed against the license
holder shall not exceed $1,000 for each determination of maltreatment;
(iv) the license holder shall forfeit $200 for each occurrence of a violation of law or rule
governing matters of health, safety, or supervision, including but not limited to the provision
of adequate staff-to-child or adult ratios, and failure to comply with background study
requirements under chapter 245C; and
(v) the license holder shall forfeit $100 for each occurrence of a violation of law or rule
other than those subject to a $5,000, $1,000, or $200 fine in items (i) to (iv).

For purposes of this section, "occurrence" means each violation identified in the
commissioner's fine order. Fines assessed against a license holder that holds a license to
provide home and community-based services, as identified in section 245D.03, subdivision
1, and a community residential setting or day services facility license under chapter 245D
where the services are provided, may be assessed against both licenses for the same
occurrence, but the combined amount of the fines shall not exceed the amount specified in
this clause for that occurrence.

When a fine has been assessed, the license holder may not avoid payment by closing,
selling, or otherwise transferring the licensed program to a third party. In such an event, the
license holder will be personally liable for payment. In the case of a corporation, each
controlling individual is personally and jointly liable for payment.

Except for background study violations involving the failure to comply with an order
to immediately remove an individual or an order to provide continuous, direct supervision,
the commissioner shall not issue a fine under paragraph (c) relating to a background study
violation to a license holder who self-correction the background study violation before the
commissioner discovers the violation. A license holder who has previously exercised the
provisions of this paragraph to avoid a fine for a background study violation may not avoid
a fine for a subsequent background study violation unless at least 365 days have passed
since the license holder self-corrected the earlier background study violation.

EFFECTIVE DATE: This section is effective the day following final enactment.
Section 101.21 (2) a license holder; a controlling individual; or an individual living in the household
where the licensed services are provided or is otherwise subject to a background study has
been disqualified and the disqualification was not set aside and no variance has been granted;

(3) a license holder knowingly withholds relevant information from or gives false or
misleading information to the commissioner in connection with an application for a license,
in connection with the background study status of an individual, during an investigation,
or regarding compliance with applicable laws or rules;

(4) a license holder is excluded from any program administered by the commissioner
under section 245.095; or

(5) revocation is required under section 245A.04, subdivision 7, paragraph (d); or

(6) for a family foster setting, a license holder or an individual living in the household
where the licensed services are provided or who is otherwise subject to a background study
has nondisqualifying background study information, as described in section 245C.05,
subdivision 4, that reflects on the license holder’s ability to safely provide care to foster
children.

A license holder who has had a license issued under this chapter suspended, revoked,
or has been ordered to pay a fine must be given notice of the action by certified mail or
personal service. If mailed, the notice must be mailed to the address shown on the application
or the last known address of the license holder. The notice must state in plain language the
reasons the license was suspended or revoked, or a fine was ordered.

(b) If the license was suspended or revoked, the notice must inform the license holder
of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts
1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking
a license. The appeal of an order suspending or revoking a license must be made in writing
by certified mail or personal service. If mailed, the appeal must be postmarked and sent to
the commissioner within ten calendar days after the license holder receives notice that the
license has been suspended or revoked. If a request is made by personal service, it must be
received by the commissioner within ten calendar days after the license holder received the
order. Except as provided in subdivision 2a, paragraph (c), if a license holder submits a
timely appeal of an order suspending or revoking a license, the license holder may continue
to operate the program as provided in section 245A.04, subdivision 7, paragraphs (f) and
(g), until the commissioner issues a final order on the suspension or revocation.

(c) (1) If the license holder was ordered to pay a fine, the notice must inform the license
holder of the responsibility for payment of fines and the right to a contested case hearing
under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an
order to pay a fine must be made in writing by certified mail or personal service. If mailed,
the appeal must be postmarked and sent to the commissioner within ten calendar days after
the license holder receives notice that the fine has been ordered. If a request is made by
personal service, it must be received by the commissioner within ten calendar days after
the license holder received the order.

(2) The license holder shall pay the fines assessed on or before the payment date specified.
If the license holder fails to fully comply with the order, the commissioner may issue a
second fine or suspend the license until the license holder complies. If the license holder
receives state funds, the state, county, or municipal agencies or departments responsible for
administering the funds shall withhold payments and recover any payments made while the
license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine
until the commissioner issues a final order.

(3) A license holder shall promptly notify the commissioner of human services, in writing,
when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the
commissioner determines that a violation has not been corrected as indicated by the order
to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify
the license holder by certified mail or personal service that a second fine has been assessed.
The license holder may appeal the second fine as provided under this subdivision.

(4) Fines shall be assessed as follows:

- The license holder shall forfeit $1,000 for each determination of maltreatment of a
  child under chapter 260E; or the maltreatment of a vulnerable adult under section 626.557
  for which the license holder is determined responsible for the maltreatment under section
  260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

- For a program that operates out of the license holder's home and a program licensed
  under Minnesota Rules, parts 9502.0300 to 9502.0445, the fine assessed against the license
  holder shall not exceed $1,000 for each determination of maltreatment;

- The license holder shall forfeit $200 for each occurrence of a violation of law or rule
  governing matters of health, safety, or supervision, including but not limited to the provision
  of adequate staff-to-child or adult ratios, and failure to comply with background study
  requirements under chapter 245C; and

- The license holder shall forfeit $100 for each occurrence of a violation of law or rule
  other than those subject to a $5,000, $1,000, or $200 fine in items (i) to (iv);

For purposes of this section, "occurrence" means each violation identified in the
commissioner's fine order. Fines assessed against a license holder that holds a license to
provide home and community-based services, as identified in section 245D.03, subdivision
1, and a community residential setting or day services facility license under chapter 245D
where the services are provided, may be assessed against both licenses for the same
When a fine has been assessed, the license holder may not avoid payment by closing, selling, or otherwise transferring the licensed program to a third party. In such an event, the license holder will be personally liable for payment. In the case of a corporation, each controlling individual is personally and jointly liable for payment.

(d) Except for background study violations involving the failure to comply with an order to immediately remove an individual or an order to provide continuous, direct supervision, the commissioner shall not issue a fine under paragraph (c) relating to a background study violation to a license holder who self-corrects a background study violation before the commissioner discovers the violation. A license holder who has previously exercised the provisions of this paragraph to avoid a fine for a background study violation may not avoid a fine for a subsequent background study violation unless at least 365 days have passed since the license holder self-corrected the earlier background study violation.

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

Minnesota Statutes 2022, section 245A.11, is amended by adding a subdivision to read:

Subd. 12. License holder qualifications for child foster care. (a) Child foster care license holders must maintain the ability to care for a foster child and ensure a safe home environment for children placed in their care. License holders must immediately notify the licensing agency of:

(1) any changes to the license holder or household member's physical or behavioral health that may affect the license holder's ability to care for a foster child or pose a risk to a foster child's health; or

(2) changes related to the care of a child or vulnerable adult for whom the license holder is a parent or legally responsible, including living out of the home for treatment for physical or behavioral health, modified parenting time arrangements, legal custody, or placement in foster care.

(b) The licensing agency may request a license holder or household member to undergo an evaluation by a specialist in areas such as physical or behavioral health to evaluate the license holder's ability to provide a safe environment for a foster child. Prior to assigning a specialist to evaluate, the licensing agency must tell the license holder or household member why the licensing agency has requested a specialist evaluation and request a release of information from the license holder or household member.

EFFECTIVE DATE. This section is effective January 1, 2024.
Sec. 12. Minnesota Statutes 2022, section 245A.14, subdivision 4, is amended to read:

Subd. 4. Special family child care homes. (a) Nonresidential child care programs serving 14 or fewer children that are conducted at a location other than the license holder's own residence shall be licensed under this section and the rules governing family child care or group family child care if:

(1) the license holder is the primary provider of care and the nonresidential child care program is conducted in a dwelling that is located on a residential lot;

(2) the license holder is an employer who may or may not be the primary provider of care, and the purpose for the child care program is to provide child care services to children of the license holder's employees;

(3) the license holder is a church or religious organization;

(4) the license holder is a community collaborative child care provider. For purposes of this subdivision, a community collaborative child care provider is a provider participating in a cooperative agreement with a community action agency as defined in section 256E.31;

(5) the license holder is a not-for-profit agency that provides child care in a dwelling located on a residential lot and the license holder maintains two or more contracts with community employers or other community organizations to provide child care services;

The county licensing agency may grant a capacity variance to a license holder licensed under this paragraph clause to exceed the licensed capacity of 14 children by no more than five children during transition periods related to the work schedules of parents, if the license holder meets the following requirements:

(1) the program does not exceed a capacity of 14 children more than a cumulative total of four hours per day;

(2) the program meets a one to seven staff-to-child ratio during the variance period;

(3) all employees receive at least an extra four hours of training per year than required in the rules governing family child care each year;

(4) the facility has square footage required per child under Minnesota Rules, part 9502.0425;

(5) the program is in compliance with local zoning regulations;

(6) the program is in compliance with the applicable fire code as follows:

(A) if the program serves more than five children older than 2-1/2 years of age, but no more than five children 2-1/2 years of age or less, the applicable fire code is educational occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code 2020; or

2020, Section 202;
if the program serves more than five children 2-1/2 years of age or less, the applicable fire code is Group I-4 Occupancies, as provided in the Minnesota State Fire Code 2015-2020, Section 202; unless the rooms in which the children 2-1/2 years of age or younger are cared for are located on a level of exit discharge and each of these child care rooms has an exit door directly to the exterior, then the applicable fire code is Group E Occupancies, as provided in the Minnesota State Fire Code 2015-2020, Section 202; and

106.10 (vii) any age and capacity limitations required by the fire code inspection and square footage determinations shall be printed on the license; or

106.12 (6) the license holder is the primary provider of care and has located the licensed child care program in a commercial space, if the license holder meets the following requirements:

106.15 (i) the program is in compliance with local zoning regulations;

106.16 (ii) the program is in compliance with the applicable fire code as follows:

106.17 (A) if the program serves more than five children older than 2-1/2 years of age, but no more than five children 2-1/2 years of age or less, the applicable fire code is educational occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code 2015-2020, Section 202; or

106.22 (B) if the program serves more than five children 2-1/2 years of age or less, the applicable fire code is Group I-4 Occupancies, as provided under the Minnesota State Fire Code 2015-2020, Section 202, unless the rooms in which the children 2-1/2 years of age or younger are cared for are located on a level of exit discharge and each of these child care rooms has an exit door directly to the exterior, then the applicable fire code is Group E Occupancy, as provided in the Minnesota State Fire Code 2020, Section 202;

106.27 (iii) any age and capacity limitations required by the fire code inspection and square footage determinations are printed on the license; and

106.29 (iv) the license holder prominently displays the license issued by the commissioner which contains the statement "This special family child care provider is not licensed as a child care center."

106.31 (b) Notwithstanding Minnesota Rules, part 9502.0335, subpart 12, the commissioner may issue up to four licenses to an organization licensed under paragraph (b), (c), or (e), clause (2), (3), or (5). Each license must have its own primary provider of care as required under paragraph (d); Each license must operate as a distinct and separate program in compliance with all applicable laws and regulations;

107.3 (c) For licenses issued under paragraph (b), (2), (3), or (4), the commissioner may approve up to four licenses at the same location or under one contiguous roof if each license holder is able to demonstrate compliance with all
applicable rules and laws. Each licensed program must operate as a distinct program and
within the capacity, age, and ratio distributions of each license.

(a) For a license issued under paragraph (b), (c), or (e), clause (2), (3), or (5), the
license holder must designate a person to be the primary provider of care at the licensed
location on a form and in a manner prescribed by the commissioner. The license holder
shall notify the commissioner in writing before there is a change of the person designated
to be the primary provider of care. The primary provider of care:

(1) must be the person who will be the provider of care at the program and present during
the hours of operation;

(2) must operate the program in compliance with applicable laws and regulations under
chapter 245A and Minnesota Rules, chapter 9502;

(3) is considered a child care background study subject as defined in section 245C.02,
subdivision 6a, and must comply with background study requirements in chapter 245C;

(4) must complete the training that is required of license holders in section
245A.50;

and

(5) is authorized to communicate with the county licensing agency and the department
on matters related to licensing.

(b) For any license issued under this subdivision, the license holder must ensure that
any other caregiver, substitute, or helper who assists in the care of children meets the training
requirements in section 245A.50 and background study requirements under chapter 245C.

Sec. 13.

Minnesota Statutes 2022, section 245A.1435, is amended to read:

245A.1435 REDUCTION OF RISK OF SUDDEN UNEXPECTED INFANT DEATH
IN LICENSED PROGRAMS.

(a) When a license holder is placing an infant to sleep, the license holder must place the
infant on the infant's back, unless the license holder has documentation from the infant's
physician, advanced practice registered nurse, or physician assistant directing an alternative
sleeping position for the infant. The physician, advanced practice registered nurse, or
physician assistant directive must be on a form approved developed by the commissioner
and must remain on file at the licensed location. An infant who independently rolls onto its
stomach after being placed to sleep on its back may be allowed to remain sleeping on its
stomach if the infant is at least six months of age or the license holder has a signed statement
from the parent indicating that the infant regularly rolls over at home.

(b) The license holder must place the infant in a crib directly on a firm mattress with a
fitted sheet that is appropriate to the mattress size, that fits tightly on the mattress; and
overlaps the underside of the mattress so it cannot be dislodged by pulling on the corner of
the sheet with reasonable effort. The license holder must not place anything in the crib with
the infant except for the infant's pacifier, as defined in Code of Federal Regulations, title
The pacifier must be free from any sort of attachment. The requirements of this section apply to license holders serving infants younger than one year of age. Licensed child care providers must meet the crib requirements under section 245A.146. A correction order shall not be issued under this paragraph unless there is evidence that a violation occurred when an infant was present in the license holder's care.

(c) If an infant falls asleep before being placed in a crib, the license holder must move the infant to a crib as soon as practicable, and must keep the infant within sight of the license holder until the infant is placed in a crib. When an infant falls asleep while being held, the license holder must consider the supervision needs of other children in care when determining how long to hold the infant before placing the infant in a crib to sleep. The sleeping infant must not be in a position where the airway may be blocked or with anything covering the infant's face.

(d) When a license holder places an infant under one year of age down to sleep, the infant's clothing or sleepwear must not have weighted materials, a hood, or a bib. If the license holder has signed documentation by a physician, advanced practice registered nurse, physician assistant, licensed occupational therapist, or licensed physical therapist on a form developed by the commissioner.

(d) Placing a swaddled infant down to sleep in a licensed setting is not recommended for an infant of any age and is prohibited for any infant who has begun to roll over independently. However, with the written consent of a parent or guardian according to this paragraph, a license holder may place the infant who has not yet begun to roll over on its own down to sleep in a one-piece sleeper equipped with an attached system that fastens securely only across the upper torso, with no constriction of the hips or legs, to create a swaddle. A swaddle is defined as a one-piece sleepwear that wraps over the infant's arms, fastens securely only across the infant's upper torso, and does not constrict the infant's hips or legs. If a swaddle is used by a license holder, the license holder must ensure that it meets the requirements of paragraph (d) and is not so tight that it restricts the infant's ability to breathe or so loose that the fabric could cover the infant's nose and mouth. Prior to any use of swaddling for sleep by a provider licensed under this chapter, the license holder must obtain informed written consent for the use of swaddling from the parent or guardian of the infant.

(g) A license holder may request a variance to this section to permit the use of a cradleboard when requested by a parent or guardian for a cultural accommodation. A variance for the use of a cradleboard may be issued only by the commissioner. The variance request must be submitted on a form developed by the commissioner in partnership with Tribal welfare agencies and the Department of Health.

EFFECTIVE DATE. This section is effective January 1, 2024.
Sec. 14. Minnesota Statutes 2022, section 245A.146, subdivision 3, is amended to read:

Subd. 3. License holder documentation of cribs. (a) Annually, from the date printed on the license, all license holders shall check all their cribs’ brand names and model numbers against the United States Consumer Product Safety Commission website listing of unsafe cribs.

(b) The license holder shall maintain written documentation to be reviewed on site for each crib showing that the review required in paragraph (a) has been completed, and which of the following conditions applies:

(1) the crib was not identified as unsafe on the United States Consumer Product Safety Commission website;

(2) the crib was identified as unsafe on the United States Consumer Product Safety Commission website, but the license holder has taken the action directed by the United States Consumer Product Safety Commission to make the crib safe; or

(3) the crib was identified as unsafe on the United States Consumer Product Safety Commission website, and the license holder has removed the crib so that it is no longer used by or accessible to children in care.

(c) Documentation of the review completed under this subdivision shall be maintained by the license holder on site and made available to parents or guardians of children in care and the commissioner.

(d) Notwithstanding Minnesota Rules, part 9502.0425, a family child care provider that complies with this section may use a mesh-sided or fabric-sided play yard, pack and play, or playpen or crib that has not been identified as unsafe on the United States Consumer Product Safety Commission website for the care or sleeping of infants.

(e) On at least a monthly basis, the family child care license holder shall perform safety inspections of every mesh-sided or fabric-sided play yard, pack and play, or playpen or crib that has not been identified as unsafe on the United States Consumer Product Safety Commission website for the care or sleeping of infants, and must document the following:

(1) there are no tears, holes, or loose or unraveling threads in mesh or fabric sides of crib;

(2) the weave of the mesh on the crib is no larger than one-fourth of an inch;

(3) no mesh fabric is unsecure or unattached to top rail and floor plate of crib;

(4) no tears or holes to top rail of crib;

(5) the mattress floor board is not soft and does not exceed one inch thick;

(6) the mattress floor board has no rips or tears in covering;

(7) the mattress floor board in use is a waterproof original mattress or replacement mattress provided by the manufacturer of the crib;
(8) there are no protruding or loose rivets, metal nuts, or bolts on the crib;
(9) there are no knobs or wing nuts on outside crib legs;
(10) there are no missing, loose, or exposed staples; and
(11) the latches on top and side rails used to collapse crib are secure, they lock properly,
and are not loose;
(12) If a cradleboard is used in a licensed setting, the license holder must check the
cradleboard not less than monthly to ensure the cradleboard is structurally sound and there
are no loose or protruding parts. The license holder shall maintain written documentation
of this review;
EFFECTIVE DATE. This section is effective January 1, 2024.
Sec. 15. Minnesota Statutes 2022, section 245A.16, subdivision 1, is amended to read:
Subdivision 1. Delegation of authority to agencies. (a) County agencies and private
agencies that have been designated or licensed by the commissioner to perform licensing
functions and activities under section 245A.04 and background studies for family child care
under chapter 245C; to recommend denial of applicants under section 245A.05; to issue
correction orders, to issue variances, and recommend a conditional license under section
245A.06; or to recommend suspending or revoking a license or issuing a fine under section
245A.07, shall comply with rules and directives of the commissioner governing those
functions and with this section. The following variances are excluded from the delegation
of variance authority and may be issued only by the commissioner:
(1) dual licensure of family child care and child foster care, dual licensure of child and
adult foster care, and adult foster care and family child care;
(2) adult foster care maximum capacity;
(3) adult foster care minimum age requirement;
(4) child foster care maximum age requirement;
(5) variances regarding disqualified individuals except that, before the implementation
of NETStudy 2.0, county agencies may issue variances under section 245C.30 regarding
disqualified individuals when the county is responsible for conducting a consolidated
reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and
(b), of a county maltreatment determination and a disqualification based on serious or
recurring maltreatment;
(6) the required presence of a caregiver in the adult foster care residence during normal
sleeping hours.
(7) variances to requirements relating to chemical use problems of a license holder or a household member of a license holder; and

(8) variances to section 245A.53 for a time-limited period. If the commissioner grants a variance under this clause, the license holder must provide notice of the variance to all parents and guardians of the children in care; and

(9) variances to section 245A.1435 for the use of a cradleboard for a cultural accommodation.

Except as provided in section 245A.14, subdivision 4, paragraph (e), a county agency must not grant a license holder a variance to exceed the maximum allowable family child care license capacity of 14 children.

(b) A county agency that has been designated by the commissioner to issue family child care variances must:

(1) publish the county agency's policies and criteria for issuing variances on the county's public website and update the policies as necessary; and

(2) annually distribute the county agency's policies and criteria for issuing variances to all family child care license holders in the county.

(e) Before the implementation of NETStudy 2.0, county agencies must report information about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the commissioner at least monthly in a format prescribed by the commissioner.

(d) For family child care programs, the commissioner shall require a county agency to conduct one unannounced licensing review at least annually.

(e) For family adult day services programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.

(f) A license issued under this section may be issued for up to two years.

(g) During implementation of chapter 245D, the commissioner shall consider:

(1) the role of counties in quality assurance;

(2) the duties of county licensing staff; and

(3) the possible use of joint powers agreements, according to section 471.59, with counties through which some licensing duties under chapter 245D may be delegated by the commissioner to the counties.

Any consideration related to this paragraph must meet all of the requirements of the corrective action plan ordered by the federal Centers for Medicare and Medicaid Services;
Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, for family child foster care programs providing out-of-home respite, as identified in section 245D.03, subdivision 1, paragraph (b), clause (1), is excluded from the delegation of authority to county and private agencies.

(i) A county agency shall report to the commissioner, in a manner prescribed by the commissioner, the following information for a licensed family child care program:

1. the results of each licensing review completed, including the date of the review, and any licensing correction order issued;
2. any death, serious injury, or determination of substantiated maltreatment; and
3. any fires that require the service of a fire department within 48 hours of the fire. The information under this clause must also be reported to the state fire marshal within two business days of receiving notice from a licensed family child care provider.

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

Sec. 16. Minnesota Statutes 2022, section 245A.16, subdivision 9, is amended to read:

Subd. 9. Licensed family foster settings. (a) Before recommending to grant a license, deny a license under section 245A.05, or revoke a license under section 245A.07 for nondisqualifying background study information received under section 245C.05, subdivision 4, paragraph (a), clause (3), for a licensed family foster setting, a county agency or private agency that has been designated or licensed by the commissioner must review the following for the license holder, the applicant, and an individual living in the household where the licensed services are provided or who is otherwise subject to a background study:

1. the type of offenses;
2. the number of offenses;
3. the nature of the offenses;
4. the age of the individual at the time of the offenses;
5. the length of time that has elapsed since the last offense;
6. the relationship of the offenses and the capacity to care for a child;
7. evidence of rehabilitation;
8. information or knowledge from community members regarding the individual's capacity to provide foster care;
9. any available information regarding child maltreatment reports or child in need of protection or services petitions, or related cases, in which the individual has been involved.
or implicated, and documentation that the individual has remedied issues or conditions
identified in child protection or court records that are relevant to safely caring for a child;
114.1  (10) a statement from the study subject;
114.2  (11) a statement from the license holder; and
114.3  (12) other aggravating and mitigating factors.
114.4  (b) For purposes of this section, "evidence of rehabilitation" includes but is not limited
to the following:
114.5  (1) maintaining a safe and stable residence;
114.6  (2) continuous, regular, or stable employment;
114.7  (3) successful participation in an education or job training program;
114.8  (4) positive involvement with the community or extended family;
114.9  (5) compliance with the terms and conditions of probation or parole following the
individual's most recent conviction;
114.10  (6) if the individual has had a substance use disorder, successful completion of a substance
use disorder assessment, substance use disorder treatment, and recommended continuing
care, if applicable, demonstrated abstinence from controlled substances, as defined in section
152.01, subdivision 4, or the establishment of a sober network;
114.11  (7) if the individual has had a mental illness or documented mental health issues,
114.12  demonstrated completion of a mental health evaluation, participation in therapy or other
114.13  recommended mental health treatment, or appropriate medication management, if applicable;
114.14  (8) if the individual's offense or conduct involved domestic violence, demonstrated
completion of a domestic violence or anger management program, and the absence of any
orders for protection or harassment restraining orders against the individual since the previous
offense or conduct;
114.15  (9) written letters of support from individuals of good repute, including but not limited
to employers, members of the clergy, probation or parole officers, volunteer supervisors,
or social services workers;
114.16  (10) demonstrated remorse for convictions or conduct, or demonstrated positive behavior
changes; and
114.17  (11) absence of convictions or arrests since the previous offense or conduct, including
any convictions that were expunged or pardoned;
114.18  (c) An applicant for a family foster setting license must sign all releases of information
requested by the county or private licensing agency.
(d) When licensing a relative for a family foster setting, the commissioner shall also consider the importance of maintaining the child's relationship with relatives as an additional significant factor in determining whether an application will be denied.

(e) When recommending that the commissioner deny or revoke a license, the county or private licensing agency must send a summary of the review completed according to paragraph (a), on a form developed by the commissioner, to the commissioner and include any recommendation for licensing action.

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

Sec. 9. Minnesota Statutes 2022, section 245A.16, is amended by adding a subdivision to read:

Subd. 10. Licensing and reporting hub. Upon implementation of the provider licensing and reporting hub, county staff who perform licensing functions must use the hub in the manner prescribed by the commissioner.

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

Subd. 10. Licensing and reporting hub. Upon implementation of the provider licensing and reporting hub, county staff who perform licensing functions must use the hub in the manner prescribed by the commissioner.

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

Subd. 10. Electronic checklist use by family child care licensors. County staff who perform family child care licensing functions must use the commissioner's electronic licensing checklist in the manner prescribed by the commissioner.

Subd. 10. Licensing and reporting hub. Upon implementation of the provider licensing and reporting hub, county staff who perform licensing functions must use the hub in the manner prescribed by the commissioner.

Sec. 17. Minnesota Statutes 2022, section 245A.16, is amended by adding a subdivision to read:

Subd. 2. Child passenger restraint systems; training requirement. (a) Programs licensed by the Department of Human Services under this chapter and Minnesota Rules, chapter 2960, that serve a child or children under eight years of age must document training that fulfills the requirements in this subdivision.

(b) Before a license holder, staff person, or caregiver transports a child or children under age eight in a motor vehicle, the person transporting the child must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles.

Training completed under this section may be used to meet initial or ongoing training under Minnesota Rules, part 2960.3070, subparts 1 and 2.

(c) Training required under this section must be completed at orientation or initial training and repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.
(d) Training under paragraph (c) must be provided by individuals who are certified and approved by the Department of Public Safety, Office of Traffic Safety within the Department of Public Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

(e) Notwithstanding paragraph (a), for an emergency relative placement under section 245A.035, the commissioner may grant a variance to the training required by this subdivision for a relative who completes a child seat safety check-up. The child seat safety check-up must be approved by the Department of Public Safety, Office of Traffic Safety, and must provide one-on-one instruction on placing a child of a specific age in the exact child passenger restraint in the motor vehicle in which the child will be transported. Once granted a variance, and if all other licensing requirements are met, the relative applicant may receive a license and may transport a relative foster child younger than eight years of age. A child seat safety check-up must be completed each time a child requires a different size car seat according to car seat and vehicle manufacturer guidelines. A relative license holder must complete training that meets the other requirements of this subdivision prior to placement of another foster child younger than eight years of age in the home or prior to the renewal of the child foster care license.

Sec. 19. Minnesota Statutes 2022, section 245A.22, is amended by adding a subdivision to read:

Subd. 8. Maltreatment of minors training requirements. The license holder must train each mandatory reporter as described in section 260E.06, subdivision 1, on the maltreatment of minors reporting requirements and definitions in chapter 260E before the mandatory reporter has direct contact, as defined in section 245C.02, subdivision 11, with a person served by the program. The license holder must train each mandatory reporter annually thereafter.

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

Sec. 20. Minnesota Statutes 2022, section 245A.42, is amended by adding a subdivision to read:

Subd. 3. First aid. (a) Before initial licensure and before caring for a child, license holders, second adult caregivers, and substitutes must be trained in pediatric first aid. The
first aid training must have been provided by an individual approved to provide first aid instruction. First aid training may be less than eight hours and persons qualified to provide first aid training include individuals approved as first aid instructors. License holders, second adult caregivers, and substitutes must repeat pediatric first aid training every two years.

When the training expires, it must be taken no later than the day before the anniversary of the license holder’s license effective date. License holders, second adult caregivers, and substitutes must not let the training expire.

(b) Video training reviewed and approved by the county licensing agency satisfies the training requirement of this subdivision.

Sec. 21. Minnesota Statutes 2022, section 245A.50, subdivision 4, is amended to read:

Subd. 5. Cardiopulmonary resuscitation. (a) Before initial licensure and before caring for a child, license holders, second adult caregivers, and substitutes must be trained in pediatric cardiopulmonary resuscitation (CPR), including CPR techniques for infants and children, and in the treatment of obstructed airways. The CPR training must have been provided by an individual approved to provide CPR instruction. License holders, second adult caregivers, and substitutes must repeat pediatric CPR training at least once every two years and must document the training in the license holder’s records. When the training expires, it must be taken no later than the day before the anniversary of the license holder’s license effective date. License holders, second adult caregivers, and substitutes must not let the training expire.

(b) Persons providing CPR training must use CPR training that has been developed:

(1) by the American Heart Association or the American Red Cross and incorporates psychomotor skills to support the instruction; or

(2) using nationally recognized, evidence-based guidelines for CPR training and incorporates psychomotor skills to support the instruction.

Sec. 22. Minnesota Statutes 2022, section 245A.50, subdivision 5, is amended to read:

Subd. 5. Sudden unexpected infant death and abusive head trauma training. (a) License holders must ensure and document that before the license holder, second adult caregivers, substitutes, and helpers assist in the care of infants, they are instructed on the standards in section 245A.1435 and receive training on reducing the risk of sudden unexpected infant death. In addition, license holders must ensure and document that before the license holder, second adult caregivers, substitutes, and helpers assist in the care of infants and children under school age, they receive training on reducing the risk of abusive head trauma from shaking infants and young children. The training in this subdivision may be provided as initial training under subdivision 1 or ongoing annual training under subdivision 7.

(b) Sudden unexpected infant death reduction training required under this subdivision must, at a minimum, address the risk factors related to sudden unexpected infant death,

first aid training must have been provided by an individual approved to provide first aid instruction. First aid training may be less than eight hours and persons qualified to provide first aid training include individuals approved as first aid instructors. License holders, second adult caregivers, and substitutes must repeat pediatric first aid training every two years.

When the training expires, it must be taken no later than the day before the anniversary of the license holder’s license effective date. License holders, second adult caregivers, and substitutes must not let the training expire.

(b) Video training reviewed and approved by the county licensing agency satisfies the training requirement of this subdivision.

Sec. 22. Minnesota Statutes 2022, section 245A.50, subdivision 4, is amended to read:

Subd. 4. Cardiopulmonary resuscitation. (a) Before initial licensure and before caring for a child, license holders, second adult caregivers, and substitutes must be trained in pediatric cardiopulmonary resuscitation (CPR), including CPR techniques for infants and children, and in the treatment of obstructed airways. The CPR training must have been provided by an individual approved to provide CPR instruction. License holders, second adult caregivers, and substitutes must repeat pediatric CPR training at least once every two years and must document the training in the license holder’s records. When the training expires, it must be taken no later than the day before the anniversary of the license holder’s license effective date. License holders, second adult caregivers, and substitutes must not let the training expire.

(b) Persons providing CPR training must use CPR training that has been developed:

(1) by the American Heart Association or the American Red Cross and incorporates psychomotor skills to support the instruction; or

(2) using nationally recognized, evidence-based guidelines for CPR training and incorporates psychomotor skills to support the instruction.

Sec. 23. Minnesota Statutes 2022, section 245A.50, subdivision 5, is amended to read:

Subd. 5. Sudden unexpected infant death and abusive head trauma training. (a) License holders must ensure and document that before the license holder, second adult caregivers, substitutes, and helpers assist in the care of infants, they are instructed on the standards in section 245A.1435 and receive training on reducing the risk of sudden unexpected infant death. In addition, license holders must ensure and document that before the license holder, second adult caregivers, substitutes, and helpers assist in the care of infants and children under school age, they receive training on reducing the risk of abusive head trauma from shaking infants and young children. The training in this subdivision may be provided as initial training under subdivision 1 or ongoing annual training under subdivision 7.

(b) Sudden unexpected infant death reduction training required under this subdivision must, at a minimum, address the risk factors related to sudden unexpected infant death,
means of reducing the risk of sudden unexpected infant death in child care, and license holder communication with parents regarding reducing the risk of sudden unexpected infant death.

(c) Abusive head trauma training required under this subdivision must, at a minimum, address the risk factors related to shaking infants and young children, means of reducing the risk of abusive head trauma in child care, and license holder communication with parents regarding reducing the risk of abusive head trauma.

(d) Training for family and group family child care providers must be developed by the commissioner in conjunction with the Minnesota Sudden Infant Death Center and approved by the Minnesota Center for Professional Development. Sudden unexpected infant death reduction training and abusive head trauma training may be provided in a single course of no more than two hours in length.

(e) Sudden unexpected infant death reduction training and abusive head trauma training required under this subdivision must be completed in person or as allowed under subdivision 10, clause (1) or (2), the individual receiving training in accordance with this subdivision must receive sudden unexpected infant death reduction training and abusive head trauma training through a video of no more than one hour in length. The video must be developed or approved by the commissioner.

(f) An individual who is related to the license holder as defined in section 245A.02, subdivision 15, and who is involved only in the care of the license holder's own infant or child under school age and who is not designated to be a second adult caregiver, helper, or substitute for the licensed program, is exempt from the sudden unexpected infant death and abusive head trauma training.

Sec. 23. Minnesota Statutes 2022, section 245A.50, subdivision 6, is amended to read:

Subd. 6. Child passenger restraint systems; training requirement. (a) A license holder must comply with all seat belt and child passenger restraint system requirements under section 169.685.

(b) Family and group family child care programs licensed by the Department of Human Services that serve a child or children under eight years of age must document that the requirements in this subdivision are fulfilled. The requirements in this subdivision must be satisfied by:

(1) Before a license holder, second adult caregiver, substitute, or helper transports a child or children under age eight in a motor vehicle, the person placing the child or children in a passenger restraint must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles. Training completed under this subdivision may be used to meet initial training under subdivision 1 or ongoing training under subdivision 10.

7.
Training required under this subdivision must be at least one hour in length, completed at initial training, and repeated at least once every five years. When the training expires, it must be renewed no later than the day before the anniversary of the license holder's license effective date. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

Training under this subdivision must be provided by individuals who are certified and approved by the Department of Public Safety, Office of Traffic Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

Subd. 9. Supervising for safety; training requirement. (a) Courses required by this subdivision must include the following health and safety topics:

1. preventing and controlling infectious diseases;
2. administering medication;
3. preventing and responding to allergies;
4. ensuring building and physical premises safety;
5. handling and storing biological contaminants;
6. preventing and reporting child abuse and maltreatment; and
7. emergency preparedness.

(b) Before initial licensure and before caring for a child, all family child care license holders and each second adult caregiver shall complete and document the completion of the six-hour Supervising for Safety for Family Child Care course developed by the commissioner.

(c) The license holder must ensure and document that, before caring for a child, all substitutes have completed the four-hour Basics of Licensed Family Child Care for Substitutes course developed by the commissioner, which must include health and safety topics as well as child development and learning.

(d) The family child care license holder and each second adult caregiver shall complete and document:

1. the annual completion of either:

"Training required under this subdivision must be at least one hour in length, completed at initial training, and repeated at least once every five years. When the training expires, it must be renewed no later than the day before the anniversary of the license holder's license effective date. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

Training under this subdivision must be provided by individuals who are certified and approved by the Department of Public Safety, Office of Traffic Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

Subd. 9. Supervising for safety; training requirement. (a) Courses required by this subdivision must include the following health and safety topics:

1. preventing and controlling infectious diseases;
2. administering medication;
3. preventing and responding to allergies;
4. ensuring building and physical premises safety;
5. handling and storing biological contaminants;
6. preventing and reporting child abuse and maltreatment; and
7. emergency preparedness.

(b) Before initial licensure and before caring for a child, all family child care license holders and each second adult caregiver shall complete and document the completion of the six-hour Supervising for Safety for Family Child Care course developed by the commissioner.

(c) The license holder must ensure and document that, before caring for a child, all substitutes have completed the four-hour Basics of Licensed Family Child Care for Substitutes course developed by the commissioner, which must include health and safety topics as well as child development and learning.

(d) The family child care license holder and each second adult caregiver shall complete and document:

1. the annual completion of either:"

"At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

Training required under this subdivision must be provided by individuals who are certified and approved by the Department of Public Safety, Office of Traffic Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

Subd. 9. Supervising for safety; training requirement. (a) Courses required by this subdivision must include the following health and safety topics:

1. preventing and controlling infectious diseases;
2. administering medication;
3. preventing and responding to allergies;
4. ensuring building and physical premises safety;
5. handling and storing biological contaminants;
6. preventing and reporting child abuse and maltreatment; and
7. emergency preparedness.

(b) Before initial licensure and before caring for a child, all family child care license holders and each second adult caregiver shall complete and document the completion of the six-hour Supervising for Safety for Family Child Care course developed by the commissioner.

(c) The license holder must ensure and document that, before caring for a child, all substitutes have completed the four-hour Basics of Licensed Family Child Care for Substitutes course developed by the commissioner, which must include health and safety topics as well as child development and learning.

(d) The family child care license holder and each second adult caregiver shall complete and document:

1. the annual completion of either:"
(i) a two-hour active supervision course developed by the commissioner; or
(ii) any courses in the ensuring safety competency area under the health, safety, and nutrition standard of the Knowledge and Competency Framework that the commissioner has identified as an active supervision training course; and
(2) the completion at least once every five years of the two-hour courses Health and Safety I and Health and Safety II. When the training is due for the first time or expires, it must be taken no later than the day before the anniversary of the license holder's license effective date. A license holder's or second adult caregiver's completion of either training in a given year meets the annual active supervision training requirement in clause (1).

Subdivision 1. Means of escape. (a)(1) At least one emergency escape route separate from the main exit from the space must be available in each room used for sleeping by anyone receiving licensed care; and (2) a basement used for child care. One means of escape must be a stairway or door leading to the floor of exit discharge. The other must be a door or window leading directly outside. A window used as an emergency escape route must be openable without special knowledge;

(b) In homes with construction that began before May 2, 2016, March 31, 2020, the interior of the window leading directly outside must have a net clear opening area of at least 4.5 square feet or 668.8 square inches and have minimum clear opening dimensions of 20 inches wide and 20 inches high. The net clear opening dimensions shall be the result of normal operation of the opening. The opening must be no higher than 48 inches from the floor. The height to the window may be measured from a platform if a platform is located below the window.

(c) In homes with construction that began on or after May 2, 2016, March 31, 2020, the interior of the window leading directly outside must have minimum clear opening dimensions of 20 inches wide and 24 inches high. The net clear opening dimensions shall be the result of normal operation of the opening. The opening must be no higher than 44 inches from the floor.

(d) Additional requirements are dependent on the distance of the openings from the ground outside the window: (1) windows or other openings with a sill height not more than 44 inches above or below the finished ground level adjacent to the opening (grade-floor emergency escape and rescue openings) must have a minimum opening of five square feet; and (2) non-grade-floor emergency escape and rescue openings must have a minimum opening of 5.7 square feet;
Sec. 27. Minnesota Statutes 2022, section 245A.52, subdivision 3, is amended to read:

Subd. 3. Heating and venting systems. (a) Notwithstanding Minnesota Rules, part 9502.0425, subpart 7, item C, items that can be ignited and support combustion, including but not limited to plastic, fabric, and wood products must not be located within:

(1) 18 inches of a gas or fuel-oil heater or furnace; or

(2) 36 inches of a solid-fuel-burning appliance;

(b) If a license holder produces manufacturer instructions listing a smaller distance, then the manufacturer instructions control the distance combustible items must be from gas, fuel-oil, or solid-fuel burning heaters or furnaces.

Sec. 28. Minnesota Statutes 2022, section 245A.52, subdivision 5, is amended to read:

Subd. 5. Carbon monoxide and smoke alarms. (a) All homes must have an approved and operational carbon monoxide alarm installed within ten feet of each room used for sleeping children in care.

(b) Smoke alarms that have been listed by the Underwriter Laboratory must be properly installed and maintained on all levels including basements, but not including crawl spaces and uninhabitable attics, and in hallways outside rooms used for sleeping children in care. Smoke alarms must be installed and maintained in each room used for sleeping children and on all levels, including basements but not including crawl spaces and uninhabitable attics.

(c) In homes with construction that began on or after May 2, 2016 March 31, 2020, smoke alarms must be installed and maintained in each room used for sleeping children in care.

Sec. 29. Minnesota Statutes 2022, section 245A.52, is amended by adding a subdivision to read:

Subd. 8. Fire code variances. When a variance is requested of the standards contained in subdivisions 1, 2, 3, 4, or 5, an applicant or provider must submit written approval from the state fire marshal of the variance requested and the alternative measures identified to ensure the safety of children in care.

Sec. 30. Minnesota Statutes 2022, section 245A.66, is amended by adding a subdivision to read:

Subd. 4. Ongoing training requirement. (a) In addition to the orientation training required by the applicable licensing rules and statutes, children's residential facility and private child-placing agency license holders must provide a training annually on the maltreatment of minors reporting requirements and definitions in chapter 260E to each mandatory reporter, as described in section 260E.06, subdivision 1.

(b) In addition to the orientation training required by the applicable licensing rules and statutes, all family child foster care license holders and caregivers and foster residence
Sec. 25. Minnesota Statutes 2022, section 245E.06, subdivision 3, is amended to read:

Subd. 3. Appeal of department action. A provider's rights related to the department's action taken under this chapter against a provider are established in sections 119B.16 and 119B.161, and 245.095, subdivision 4.

Sec. 26. Minnesota Statutes 2022, section 245G.03, subdivision 1, is amended to read:

Subdivision 1. License requirements. (a) An applicant for a license to provide substance use disorder treatment must comply with the general requirements in section 626.557; chapters 245A, 245C, and 260E; and Minnesota Rules; chapter 9544.

(b) The commissioner may grant variances to the requirements in this chapter that do not affect the client's health or safety if the conditions in section 245A.04, subdivision 9, are met.

(c) If a program is licensed according to this chapter and is part of a certified community behavioral health clinic under sections 245.7351 to 245.7357, the license holder must comply with the requirements in section 245.7355, subdivisions 6 to 9, as part of the licensing requirements under this chapter.

Sec. 31. Minnesota Statutes 2022, section 245G.13, subdivision 2, is amended to read:

Subd. 2. Staff development. (a) A license holder must ensure that each staff member has the training described in this subdivision:

(b) Each staff member must be trained every two years in:

(1) client confidentiality rules and regulations and client ethical boundaries; and

(2) emergency procedures and client rights as specified in sections 144.651, 148F.165, and 253B.03.

(c) Annually each staff member with direct contact must be trained on mandatory reporting as specified in sections 245A.65, 626.557, and 626.5572, and chapter 260E, including specific training covering the license holder's policies for obtaining a release of client information.

(d) Upon employment and annually thereafter, each staff member with direct contact must receive training on HIV minimum standards according to section 245A.19.

THE FOLLOWING SECTION WAS TAKEN OUT OF H0238-3 ARTICLE 1.

Sec. 32. Minnesota Statutes 2022, section 245E.06, subdivision 3, is amended to read:

Subd. 3. Appeal of department action. A provider's rights related to the department's action taken under this chapter against a provider are established in sections 119B.16 and 119B.161, 119B.162, and 245.095, subdivision 4.

Sec. 25. Minnesota Statutes 2022, section 245E.06, subdivision 3, is amended to read:

Subd. 3. Appeal of department action. A provider's rights related to the department's action taken under this chapter against a provider are established in sections 119B.16 and 119B.161, and 245.095, subdivision 4.
The license holder must ensure that each mandatory reporter, as described in section 260E.06, subdivision 1, is trained on the maltreatment of minors reporting requirements and definitions in chapter 260E before the mandatory reporter has direct contact, as defined in section 245C.02, subdivision 11, with a person served by the program.

A treatment director, supervisor, nurse, or counselor must have a minimum of 12 hours of training in co-occurring disorders that includes competencies related to philosophy, trauma-informed care, screening, assessment, diagnosis and person-centered treatment planning, documentation, programming, medication, collaboration, mental health consultation, and discharge planning. A new staff member who has not obtained the training must complete the training within six months of employment. A staff member may request, and the license holder may grant, credit for relevant training obtained before employment, which must be documented in the staff member's personnel file.

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

Authorized agent. "Authorized agent" means the individual designated by the certification holder that is responsible for communicating with the commissioner of human services regarding all items pursuant to this chapter.

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

Certified license-exempt child care center. "Certified license-exempt child care center" means the commissioner's written authorization for a child care center excluded from licensure under section 245A.03, subdivision 2, paragraph (a), clause (5); (11) to (13); (15); (18); or (26); or (30), to register to receive child care assistance payments under chapter 119B.

EFFECTIVE DATE. This section is effective January 1, 2024.
Sec. 33. Minnesota Statutes 2022, section 245H.02, is amended to read:

245H.02 WHO MUST BE CERTIFIED.

A program that is exempt from licensure under section 245A.03, subdivision 2, paragraph (a), clause (5), (11) to (13), (15), (18), or (20), and is authorized to receive child care assistance payments under chapter 119B, or (30), must be a certified license-exempt child care center according to this section to receive child care assistance payments under chapter 119B.

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

Sec. 12. Minnesota Statutes 2022, section 245H.03, subdivision 2, is amended to read:

Subd. 2. Application submission. The commissioner shall provide application instructions and information about the rules and requirements of other state agencies that affect the applicant. The certification application must be submitted in a manner prescribed by the commissioner. Upon implementation of the provider licensing and reporting hub, applicants must use the hub in the manner prescribed by the commissioner. The commissioner shall act on the application within 90 working days of receiving a completed application.

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

Sec. 13. Minnesota Statutes 2022, section 245H.03, subdivision 3, is amended to read:

Subd. 3. Incomplete applications. When the commissioner receives an application for initial certification that is incomplete because the applicant failed to submit required documents or is deficient because the documents submitted do not meet certification requirements, the commissioner shall provide the applicant written notice that the application is incomplete or deficient. In the notice, the commissioner shall identify documents that are missing or deficient and give the applicant 45 days to resubmit a second application that is complete. An applicant's failure to submit a complete application after receiving notice from the commissioner is basis for certification denial.

For purposes of this section, when a denial order is issued through the provider licensing and reporting hub, the applicant is deemed to have received the order upon the date of issuance through the hub.

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

Sec. 14. Minnesota Statutes 2022, section 245H.03, subdivision 4, is amended to read:

Subd. 4. Reconsideration of certification denial. (a) The applicant may request reconsideration of the denial by notifying the commissioner by certified mail or by personal service, or through the provider licensing and reporting hub. The request must be made in writing. If sent by certified mail, the request must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the order. If a request is made by personal service, it must be received by the commissioner within 20 calendar days.
after the applicant received the order. If the order is issued through the provider hub, the
request must be received by the commissioner within 20 calendar days from the date the
commissioner issued the order through the hub. The applicant may submit with the request
for reconsideration a written argument or evidence in support of the request for
reconsideration.
(b) The commissioner's disposition of a request for reconsideration is final and not
subject to appeal under chapter 14.

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

(b) The commissioner's disposition of a request for reconsideration is final and not
subject to appeal under chapter 14.

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

(b) The commissioner's disposition of a request for reconsideration is final and not
subject to appeal under chapter 14.

EFFECTIVE DATE. This section is effective August 1, 2023.
Sec. 35. Minnesota Statutes 2022, section 245H.05, is amended to read:

245H.05 MONITORING AND INSPECTIONS.

(a) The commissioner must conduct an on-site inspection of a certified license-exempt child care center at least annually once each calendar year to determine compliance with the health, safety, and fire standards specific to a certified license-exempt child care center.

(b) No later than November 19, 2017, the commissioner shall make publicly available on the department's website the results of inspection reports for all certified centers including the number of deaths, serious injuries, and instances of substantiated child maltreatment that occurred in certified centers each year.

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

Sec. 15. Minnesota Statutes 2022, section 245H.06, subdivision 1, is amended to read:

Subdivision 1. Correction order requirements.

(a) If the applicant or certification holder failed to comply with a law or rule, the commissioner may issue a correction order. The correction order must state:

(1) the condition that constitutes a violation of the law or rule; and

(2) the specific law or rule violated; and

(3) the time allowed to correct each violation.

(b) The commissioner may issue a correction order to the applicant or certification holder through the provider licensing and reporting hub.

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

Subd. 2. Reconsideration request.

(a) If the applicant or certification holder believes that the commissioner's correction order is erroneous, the applicant or certification holder may ask the commissioner to reconsider the part of the correction order that is allegedly erroneous. A request for reconsideration must be made in writing, and postmarked, or submitted through the provider licensing and reporting hub and sent to the commissioner within 20 calendar days after the applicant or certification holder received the correction order, and must:

(1) specify the part of the correction order that is allegedly erroneous;

(2) explain why the specified part is erroneous; and

(3) include documentation to support the allegation of error.

(b) The commissioner may issue a correction order to the applicant or certification holder through the provider licensing and reporting hub.

EFFECTIVE DATE. This section is effective the day following final enactment.
(b) A request for reconsideration does not stay any provision or requirement of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal.

(c) Upon implementation of the provider licensing and reporting hub, the provider must use the hub to request reconsideration. If the order is issued through the provider hub, the request must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub.

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

Sec. 18. Minnesota Statutes 2022, section 245H.07, subdivision 2, is amended to read:

Subd. 1.

Reconsideration of decertification.

This section is effective the day following final enactment.

Sec. 34. Minnesota Statutes 2022, section 245H.07, subdivision 2, is amended to read:

(a) The certification holder may request

(b) When considering decertification, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule.

(c) When a center is decertified, the center is ineligible to receive a child care assistance payment under chapter 119B.

(d) The commissioner may issue a decertification order to a certification holder through the provider licensing and reporting hub.

Reconsideration of decertification.

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

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

Generally.

With the request for reconsideration, the commissioner must use the hub to request reconsideration. If the order is issued through the provider hub, the request must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub.
reconsideration, the certification holder may submit a written argument or evidence in
support of the request for reconsideration.

(b) The commissioner's disposition of a request for reconsideration is final and not
subject to appeal under chapter 14.

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

(b) The commissioner's disposition of a request for reconsideration is final and not
subject to appeal under chapter 14.

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

Sec. 36. Minnesota Statutes 2022, section 245H.08, subdivision 4, is amended to read:

Subd. 4. Maximum group size. (a) For a child six weeks old through 16 months old, the maximum group size shall be no more than eight children.

(b) For a child 16 months old through 33 months old, the maximum group size shall be no more than 14 children.

(c) For a child 33 months old through prekindergarten, a maximum group size shall be no more than 20 children.

(d) For a child in kindergarten through 13 years old, a maximum group size shall be no more than 30 children.

(e) The maximum group size applies at all times except during group activity coordination time not exceeding 15 minutes, during a meal, outdoor activity, field trip, nap and rest, and special activity including a film, guest speaker, indoor large muscle activity, or holiday program.

(f) Notwithstanding paragraph (d), a certified center may continue to serve a child 14 years of age or older if one of the following conditions is true:

(1) the child remains eligible for child care assistance under section 119B.09, subdivision 1, paragraph (e); or

(2) the certified center serves only school-age children in a setting that has students enrolled in no grade higher than 8th grade.

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

Sec. 37. Minnesota Statutes 2022, section 245H.08, subdivision 5, is amended to read:

Subd. 5. Ratios. (a) The minimally acceptable staff-to-child ratios are:

(1) six weeks old through 16 months old

(2) 16 months old through 33 months old

1:4

1:7

1:4

1:7
33 months old through prekindergarten 1:10
kindergarten through 13 years old 1:15
(b) Kindergarten includes a child of sufficient age to have attended the first day of kindergarten or who is eligible to enter kindergarten within the next four months.
(c) For mixed groups, the ratio for the age group of the youngest child applies.
(d) Notwithstanding paragraph (a), a certified center may continue to serve a child 14 years of age or older if one of the following conditions is true:
(1) the child remains eligible for child care assistance under section 119B.09, subdivision 1, paragraph (e); or
(2) the certified center serves only school-age children in a setting that has students enrolled in no grade higher than 8th grade.
EFFECTIVE DATE. This section is effective August 1, 2023.
Sec. 38. Minnesota Statutes 2022, section 245H.13, subdivision 3, is amended to read:
Subd. 3. Administration of medication.
(a) A certified center that chooses to administer medicine must meet the requirements in this subdivision.
(b) The certified center must obtain written permission from the child's parent or legal guardian before administering prescription medicine, nonprescription medicine, diapering product, sunscreen lotion, and insect repellent.
(c) The certified center must administer nonprescription medicine, diapering product, sunscreen lotion, and insect repellent according to the manufacturer's instructions unless provided written instructions by a licensed health professional to use a product differently.
(d) The certified center must obtain and follow written instructions from the prescribing health professional before administering prescription medicine. Medicine with the child's first and last name and current prescription information on the label is considered written instructions.
(e) The certified center must ensure all prescription and nonprescription medicine is:
(1) kept in the medicine's original container with a legible label stating the child's first and last name;
(2) given only to the child whose name is on the label;
(3) not given after an expiration date on the label; and
(4) returned to the child's parent or legal guardian or destroyed, if unused.
The certified center must document in the child's record the administration of prescription and nonprescription medication, including the child's first and last name; the name of the medication or prescription number; the date, time, and dosage; and the name and signature of the person who administered the medicine. This documentation must be available to the child's parent or legal guardian.

The certified center must store prescription and nonprescription medicines, insect repellents, and diapering products according to directions on the original container.

**EFFECTIVE DATE.** This section is effective August 1, 2023.

**Subd. 7.** Risk reduction plan.

(a) The certified center must develop a risk reduction plan that identifies risks to children served by the child care center. The assessment of risk must include risks presented by (1) the physical plant where the certified services are provided, including electrical hazards; and (2) the environment, including the proximity to busy roads and bodies of water.

(b) The certification holder must establish policies and procedures to minimize identified risks. After any change to the risk reduction plan, the certification holder must inform staff of the change in the risk reduction plan and document that staff were informed of the change.

(c) If middle-school-age children are enrolled in the center and combined with elementary children, the certification holder must establish policies and procedures to ensure adequate supervision as defined in subdivision 10 when children are grouped together.

**EFFECTIVE DATE.** This section is effective August 1, 2023.
with the requirements in section 245.7355, subdivisions 6 to 9, as part of the licensing requirements under this chapter.

Sec. 36. Minnesota Statutes 2022, section 245L.20, subdivision 10, is amended to read:

Subd. 10. Application procedures. (a) The applicant for certification must submit any documents that the commissioner requires on forms approved by the commissioner. Upon implementation of the provider licensing and reporting hub, applicants must use the hub in the manner prescribed by the commissioner.

(b) Upon submitting an application for certification, an applicant must pay the application fee required by section 245A.10, subdivision 3.

(c) The commissioner must act on an application within 90 working days of receiving a completed application.

(d) When the commissioner receives an application for initial certification that is incomplete because the applicant failed to submit required documents or is deficient because the submitted documents do not meet certification requirements, the commissioner must provide the applicant with written notice that the application is incomplete or deficient. In the notice, the commissioner must identify the particular documents that are missing or deficient and give the applicant 45 days to submit a second application that is complete. An applicant's failure to submit a complete application within 45 days after receiving notice from the commissioner is a basis for certification denial.

(e) The commissioner must give notice of a denial to an applicant when the commissioner has made the decision to deny the certification application. In the notice of denial, the commissioner must state the reasons for the denial in plain language. The commissioner must send or deliver the notice of denial to an applicant by certified mail or, by personal service or through the provider licensing and reporting hub. In the notice of denial, the commissioner must state the reasons that the commissioner denied the application and must inform the applicant of the right to request a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the commissioner in writing by certified mail, by personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the notice of denial. If an applicant delivers an appeal by personal service, the commissioner must receive the appeal within 20 calendar days of the date the commissioner issued the order through the hub.

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

Sec. 19. Minnesota Statutes 2022, section 245L.20, subdivision 10, is amended to read:

Subd. 10. Application procedures. (a) The applicant for certification must submit any documents that the commissioner requires on forms approved by the commissioner. Upon implementation of the provider licensing and reporting hub, applicants must use the hub in the manner prescribed by the commissioner.

(b) Upon submitting an application for certification, an applicant must pay the application fee required by section 245A.10, subdivision 3.

(c) The commissioner must act on an application within 90 working days of receiving a completed application.

(d) When the commissioner receives an application for initial certification that is incomplete because the applicant failed to submit required documents or is deficient because the submitted documents do not meet certification requirements, the commissioner must provide the applicant with written notice that the application is incomplete or deficient. In the notice, the commissioner must identify the particular documents that are missing or deficient and give the applicant 45 days to submit a second application that is complete. An applicant's failure to submit a complete application within 45 days after receiving notice from the commissioner is a basis for certification denial.

(e) The commissioner must give notice of a denial to an applicant when the commissioner has made the decision to deny the certification application. In the notice of denial, the commissioner must state the reasons for the denial in plain language. The commissioner must send or deliver the notice of denial to an applicant by certified mail or, by personal service or through the provider licensing and reporting hub. In the notice of denial, the commissioner must state the reasons that the commissioner denied the application and must inform the applicant of the right to request a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the commissioner in writing by certified mail, by personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the notice of denial. If an applicant delivers an appeal by personal service, the commissioner must receive the appeal within 20 calendar days of the date the applicant received the notice of denial. If the order is issued through the provider hub, the request must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub.

EFFECTIVE DATE. This section is effective the day following final enactment.
Sec. 20. Minnesota Statutes 2022, section 245I.20, subdivision 13, is amended to read:

(1) failed to comply with an applicable law or rule; or
(2) the specific law or rule that the applicant or certification holder has violated; and

(3) the time that the applicant or certification holder is allowed to correct each violation.

(2) If the applicant or certification holder believes that the commissioner's correction order is erroneous, the applicant or certification holder may ask the commissioner to reconsider the part of the correction order that is allegedly erroneous. An applicant or certification holder must make a request for reconsideration in writing. The request must be postmarked and sent to the commissioner or submitted in the provider licensing and reporting hub. If the order is issued through the provider licensing and reporting hub, the request must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub.

(3) Nothing in this subdivision prohibits the commissioner from decertifying a mental health clinic according to subdivision 14.

(4) If the commissioner finds that the applicant or certification holder failed to correct the violation specified in the correction order, the commissioner may decertify the certified mental health clinic according to subdivision 14.

(5) Nothing in this subdivision prohibits the commissioner from decertifying a mental health clinic according to subdivision 14.

(6) If the commissioner finds that the applicant or certification holder failed to correct the violation specified in the correction order, the commissioner may decertify the certified mental health clinic according to subdivision 14.

(7) If the commissioner finds that the applicant or certification holder failed to correct the violation specified in the correction order, the commissioner may decertify the certified mental health clinic according to subdivision 14.

(8) Nothing in this subdivision prohibits the commissioner from decertifying a mental health clinic according to subdivision 14.

(9) If the commissioner finds that the applicant or certification holder failed to correct the violation specified in the correction order, the commissioner may decertify the certified mental health clinic according to subdivision 14.

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

Sec. 21. Minnesota Statutes 2022, section 245I.20, subdivision 14, is amended to read:

(1) specify the part of the correction order that is allegedly erroneous;
(2) explain why the specified part is erroneous; and
(3) include documentation to support the allegation of error.

(4) A request for reconsideration does not stay any provision or requirement of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal.

(5) If the commissioner makes a request for reconsideration in writing. The request must be postmarked and sent to the commissioner or submitted in the provider licensing and reporting hub. If the order is issued through the provider licensing and reporting hub, the request must be received by the commissioner within 20 calendar days after the applicant or certification holder received the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal.

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

Sec. 37. Minnesota Statutes 2022, section 245I.20, subdivision 13, is amended to read:

(1) the condition that constitutes a violation of the law or rule;
(2) the specific law or rule that the applicant or certification holder has violated; and
(3) the time that the applicant or certification holder is allowed to correct each violation.

(2) If the applicant or certification holder believes that the commissioner's correction order is erroneous, the applicant or certification holder may ask the commissioner to reconsider the part of the correction order that is allegedly erroneous. An applicant or certification holder must make a request for reconsideration in writing. The request must be postmarked and sent to the commissioner or submitted in the provider licensing and reporting hub. If the order is issued through the provider licensing and reporting hub, the request must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. If the order is erroneous, the applicant or certification holder may ask the commissioner to reconsider the part of the correction order that is allegedly erroneous. An applicant or certification holder must make a request for reconsideration in writing. The request must be postmarked and sent to the commissioner or submitted in the provider licensing and reporting hub. If the order is issued through the provider licensing and reporting hub, the request must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub.

(3) Nothing in this subdivision prohibits the commissioner from decertifying a mental health clinic according to subdivision 14.

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

Sec. 38. Minnesota Statutes 2022, section 245I.20, subdivision 14, is amended to read:

(1) specify the part of the correction order that is allegedly erroneous;
(2) explain why the specified part is erroneous; and
(3) include documentation to support the allegation of error.

(4) A request for reconsideration does not stay any provision or requirement of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal.

(5) If the commissioner finds that the applicant or certification holder failed to correct the violation specified in the correction order, the commissioner may decertify the certified mental health clinic according to subdivision 14.

(6) Nothing in this subdivision prohibits the commissioner from decertifying a mental health clinic according to subdivision 14.

(7) If the commissioner finds that the applicant or certification holder failed to correct the violation specified in the correction order, the commissioner may decertify the certified mental health clinic according to subdivision 14.

EFFECTIVE DATE. This section is effective the day following final enactment.
knowingly withheld relevant information from or gave false or misleading information

(2) knowingly withheld relevant information from or gave false or misleading information

to the commissioner in connection with an application for certification, during an

22. investigation, or regarding compliance with applicable laws or rules.

23. (b) When considering decertification of a mental health clinic, the commissioner must

24. consider the nature, chronicity, or severity of the violation of law or rule and the effect of

25. the violation on the health, safety, or rights of clients.

26. (c) If the commissioner decertifies a mental health clinic, the order of decertification

27. must inform the certification holder of the right to have a contested case hearing under

28. chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The commissioner may

29. issue the order through the provider licensing and reporting hub. The certification holder

30. may appeal the decertification. The certification holder must appeal a decertification in

31. writing and send or deliver the appeal to the commissioner by certified mail or by personal

32. service, or through the provider licensing and reporting hub. If the certification holder mails

33. the appeal, the appeal must be postmarked and sent to the commissioner within ten calendar

34. days after the certification holder receives the order of decertification. If the certification

35. holder delivers an appeal by personal service, the certification holder must receive the appeal

36. within ten calendar days after the certification holder received the order. If the order is

37. issued through the provider hub, the request must be received by the commissioner within

38. 20 calendar days from the date the commissioner issued the order through the hub. If a

39. certification holder submits a timely appeal of an order of decertification, the certification

40. holder may continue to operate the program until the commissioner issues a final order on

41. the decertification.

42. (d) If the commissioner decertifies a mental health clinic pursuant to paragraph (a),

43. clause (1), based on a determination that the mental health clinic was responsible for

44. malreatment, and if the certification holder appeals the decertification according to paragraph

45. (c), and appeals the maltreatment determination under section 260E.33, the final

46. decertification determination is stayed until the commissioner issues a final decision regarding

47. the maltreatment appeal.

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

49. Sec. 39. Minnesota Statutes 2022, section 245I.20, subdivision 16, is amended to read:

50. (2) knowingly withheld relevant information from or gave false or misleading information

51. to the commissioner in connection with an application for certification, during an

52. investigation, or regarding compliance with applicable laws or rules.

53. (b) When considering decertification of a mental health clinic, the commissioner must

54. consider the nature, chronicity, or severity of the violation of law or rule and the effect of

55. the violation on the health, safety, or rights of clients.

56. (c) If the commissioner decertifies a mental health clinic, the order of decertification

57. must inform the certification holder of the right to have a contested case hearing under

58. chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The commissioner may

59. issue the order through the provider licensing and reporting hub. The certification holder

60. may appeal the decertification. The certification holder must appeal a decertification in

61. writing and send or deliver the appeal to the commissioner by certified mail or by personal

62. service, or through the provider licensing and reporting hub. If the certification holder mails

63. the appeal, the appeal must be postmarked and sent to the commissioner within ten calendar

64. days after the certification holder receives the order of decertification. If the certification

65. holder delivers an appeal by personal service, the certification holder must receive the appeal

66. within ten calendar days after the certification holder received the order. If the order is

67. issued through the provider hub, the request must be received by the commissioner within

68. 20 calendar days from the date the commissioner issued the order through the hub. If a

69. certification holder submits a timely appeal of an order of decertification, the certification

70. holder may continue to operate the program until the commissioner issues a final order on

71. the decertification.

72. (d) If the commissioner decertifies a mental health clinic pursuant to paragraph (a),

73. clause (1), based on a determination that the mental health clinic was responsible for

74. maltreatment, and if the certification holder appeals the decertification according to paragraph

75. (c), and appeals the maltreatment determination under section 260E.33, the final

76. decertification determination is stayed until the commissioner issues a final decision regarding

77. the maltreatment appeal.

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

79. Subd. 16. Notifications required and noncompliance. (a) A certification holder must

80. notify the commissioner, in a manner prescribed by the commissioner, and obtain the

81. commissioner's approval before making any change to the name of the certification holder

82. or the location of the mental health clinic. Upon implementation of the provider licensing

83. and reporting hub, certification holders must enter and update information in the hub in a

84. manner prescribed by the commissioner.

85. (b) Changes in mental health clinic organization, staffing, treatment, or quality assurance

86. procedures that affect the ability of the certification holder to comply with the minimum

87. standards of this section must be reported in writing by the certification holder to the

88. commissioner.
commissioner within 15 days of the occurrence. Review of the change must be conducted by the commissioner. A certification holder with changes resulting in noncompliance in minimum standards must receive written notice and may have up to 180 days to correct the areas of noncompliance before being decertified. Interim procedures to resolve the noncompliance on a temporary basis must be developed and submitted in writing to the commissioner for approval within 30 days of the commissioner's determination of the noncompliance. Not reporting an occurrence of a change that results in noncompliance within 15 days, failure to develop an approved interim procedure within 30 days of the determination of the noncompliance, or nonresolution of the noncompliance within 180 days will result in immediate decertification.

(c) The mental health clinic may be required to submit written information to the department to document that the mental health clinic has maintained compliance with this section and mental health clinic procedures.

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

Sec. 40. Minnesota Statutes 2022, section 260E.09, is amended to read:

260E.09 REPORTING REQUIREMENTS.

(a) An oral report shall be made immediately by telephone or otherwise. An oral report made by a person required under section 260E.06, subdivision 1, to report shall be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the appropriate police department, the county sheriff, the agency responsible for assessing or investigating the report, or the local welfare agency.

(b) Any report shall be of sufficient content to identify the child, any person believed to be responsible for the maltreatment of the child if the person is known, the nature and extent of the maltreatment, and the name and address of the reporter. The local welfare agency or agency responsible for assessing or investigating the report shall accept a report made under section 260E.06 notwithstanding refusal by a reporter to provide the reporter's name or address as long as the report is otherwise sufficient under this paragraph.

(c) Notwithstanding paragraph (a), upon implementation of the provider licensing and reporting hub, an individual who has an account with the provider licensing and reporting hub and is required to report suspected maltreatment at a licensed program under section 260E.06, subdivision 1, may submit a written report in the hub in a manner prescribed by the commissioner and is not required to make an oral report. A report submitted through the provider licensing and reporting hub must be made immediately.

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

Sec. 41. Minnesota Statutes 2022, section 270B.14, subdivision 1, is amended to read:

Subdivision 1. Disclosure to commissioner of human services. (a) On the request of the commissioner of human services, the commissioner shall disclose return information to the commissioner within 15 days of the occurrence. Review of the change must be conducted by the commissioner. A certification holder with changes resulting in noncompliance in minimum standards must receive written notice and may have up to 180 days to correct the areas of noncompliance before being decertified. Interim procedures to resolve the noncompliance on a temporary basis must be developed and submitted in writing to the commissioner for approval within 30 days of the commissioner's determination of the noncompliance. Not reporting an occurrence of a change that results in noncompliance within 15 days, failure to develop an approved interim procedure within 30 days of the determination of the noncompliance, or nonresolution of the noncompliance within 180 days will result in immediate decertification.

(c) The mental health clinic may be required to submit written information to the department to document that the mental health clinic has maintained compliance with this section and mental health clinic procedures.

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

Sec. 23. Minnesota Statutes 2022, section 260E.09, is amended to read:

260E.09 REPORTING REQUIREMENTS.

(a) An oral report shall be made immediately by telephone or otherwise. An oral report made by a person required under section 260E.06, subdivision 1, to report shall be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the appropriate police department, the county sheriff, the agency responsible for assessing or investigating the report, or the local welfare agency.

(b) Any report shall be of sufficient content to identify the child, any person believed to be responsible for the maltreatment of the child if the person is known, the nature and extent of the maltreatment, and the name and address of the reporter. The local welfare agency or agency responsible for assessing or investigating the report shall accept a report made under section 260E.06 notwithstanding refusal by a reporter to provide the reporter's name or address as long as the report is otherwise sufficient under this paragraph.

(c) Notwithstanding paragraph (a), upon implementation of the provider licensing and reporting hub, an individual who has an account with the provider licensing and reporting hub and is required to report suspected maltreatment at a licensed program under section 260E.06, subdivision 1, may submit a written report in the hub in a manner prescribed by the commissioner and is not required to make an oral report. A report submitted through the provider licensing and reporting hub must be made immediately.

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

Sec. 40. Minnesota Statutes 2022, section 260E.09, is amended to read:

260E.09 REPORTING REQUIREMENTS.

(a) An oral report shall be made immediately by telephone or otherwise. An oral report made by a person required under section 260E.06, subdivision 1, to report shall be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the appropriate police department, the county sheriff, the agency responsible for assessing or investigating the report, or the local welfare agency.

(b) Any report shall be of sufficient content to identify the child, any person believed to be responsible for the maltreatment of the child if the person is known, the nature and extent of the maltreatment, and the name and address of the reporter. The local welfare agency or agency responsible for assessing or investigating the report shall accept a report made under section 260E.06 notwithstanding refusal by a reporter to provide the reporter's name or address as long as the report is otherwise sufficient under this paragraph.

(c) Notwithstanding paragraph (a), upon implementation of the provider licensing and reporting hub, an individual who has an account with the provider licensing and reporting hub and is required to report suspected maltreatment at a licensed program under section 260E.06, subdivision 1, may submit a written report in the hub in a manner prescribed by the commissioner and is not required to make an oral report. A report submitted through the provider licensing and reporting hub must be made immediately.

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

Sec. 23. Minnesota Statutes 2022, section 260E.09, is amended to read:

260E.09 REPORTING REQUIREMENTS.

(a) An oral report shall be made immediately by telephone or otherwise. An oral report made by a person required under section 260E.06, subdivision 1, to report shall be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the appropriate police department, the county sheriff, the agency responsible for assessing or investigating the report, or the local welfare agency.

(b) Any report shall be of sufficient content to identify the child, any person believed to be responsible for the maltreatment of the child if the person is known, the nature and extent of the maltreatment, and the name and address of the reporter. The local welfare agency or agency responsible for assessing or investigating the report shall accept a report made under section 260E.06 notwithstanding refusal by a reporter to provide the reporter's name or address as long as the report is otherwise sufficient under this paragraph.

(c) Notwithstanding paragraph (a), upon implementation of the provider licensing and reporting hub, an individual who has an account with the provider licensing and reporting hub and is required to report suspected maltreatment at a licensed program under section 260E.06, subdivision 1, may submit a written report in the hub in a manner prescribed by the commissioner and is not required to make an oral report. A report submitted through the provider licensing and reporting hub must be made immediately.

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

Sec. 24. Minnesota Statutes 2022, section 270B.14, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

(i) The commissioner may disclose information to the commissioner of human services
necessary to verify whether applicants or recipients for the Minnesota family investment
program, general assistance, the Supplemental Nutrition Assistance Program (SNAP),
Minnesota supplemental aid program, and child care assistance have claimed refundable
tax credits under chapter 290 and the property tax refund under chapter 290A, and the
amounts of the credits.
The commissioner may disclose information to the commissioner of human services necessary to verify income for purposes of calculating parental contribution amounts under section 252.27, subdivision 2a.

The commissioner shall disclose information to the commissioner of human services to verify the income and tax identification information of:

1. an applicant under section 245A.04, subdivision 1;
2. an applicant under section 245I.03;
3. an applicant under section 245I.20;
4. a license holder; or
5. a certification holder.

Sec. 42. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; TRANSITION TO LICENSURE.

(a) The commissioner of human services must transition the following mental health services from certification under Minnesota Statutes, chapters 245 and 256B, to licensure under Minnesota Statutes, chapter 245A, on or before January 1, 2026:

1. certified community behavioral health clinics;
2. adult rehabilitative mental health services;
3. mobile mental health crisis response services;
4. children's therapeutic services and supports; and
5. community mental health centers.

(b) The transition to licensure under this section must be according to the Mental Health Uniform Service Standards in Minnesota Statutes, chapter 245I.

(c) No later than January 1, 2025, the commissioner must submit the proposed legislation necessary to implement the transition in paragraphs (a) and (b) to the chairs and ranking minority members of the legislative committees with jurisdiction over behavioral health services.

(d) The commissioner must consult with stakeholders to develop the legislation described in paragraph (c).
Sec. 40. DIRECTION TO COMMISSIONER; AMENDING THE DEFINITION OF EDUCATION.

(a) The commissioner of human services must amend Minnesota Rules, part 9503.0030, subpart 1, item B, to include accredited course work from an accredited postsecondary institution that can be shown to be relevant to the primary skills necessary to meet the qualifications of a teacher.

(b) For purposes of this section, the commissioner may use the good cause exemption process under Minnesota Statutes, section 14.388, subdivision 1, clause (3), and Minnesota Statutes, section 14.386, does not apply.

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

Sec. 41. DIRECTION TO COMMISSIONER; TEMPORARY CHANGES TO STAFF QUALIFICATION RULES FOR CHILD CARE CENTERS.

(a) Notwithstanding Minnesota Rules, part 9503.0033, the commissioner of human services must allow a licensed child care center to hire an individual as an assistant teacher if the individual is at least 18 years old, has been employed in a direct child-serving role at the center for a minimum of 30 days, is enrolled in a child development associate credential program at the time of hire or will be within 60 days of being hired, and completes the child development associate credential from the Council for Professional Recognition within one year of the individual's hiring date.

(b) This section expires July 1, 2025. A licensed child care center may continue to employ any individual hired under this section as an assistant teacher after the expiration of this section.