ARTICLE 2

AGING SERVICES

Section 1. [144G.19] FACILITY RELOCATION.

Subdivision 1. New license not required. (a) Effective March 15, 2025, an assisted living facility with a licensed resident capacity of ten residents or fewer may operate under the licensee's current license if the facility is relocated with the approval of the commissioner of health during the period the current license is valid.

(b) A licensee is not required to apply for a new license solely because the licensee receives approval to relocate a facility. The licensee's license for the relocated facility remains valid until the expiration date specified on the existing license. The commissioner of health must apply the licensing and survey cycle previously established for the facility's prior location to the facility's new location.

(c) A licensee must notify the commissioner of health, on a form developed by the commissioner, of the licensee's intent to relocate the licensee's facility. The licensee must obtain plan review approval for the building to which the licensee intends to relocate the facility and a certificate of occupancy from the commissioner of labor and industry or the commissioner of labor and industry's delegated authority for the building. Upon issuance of a certificate of occupancy, the commissioner of health must review and inspect the building to which the licensee intends to relocate the facility and approve or deny the license relocation within 30 calendar days.

(d) A licensee that receives approval from the commissioner to relocate a facility must provide each resident with a new assisted living contract and comply with the coordinated move requirements under section 144G.55.

(e) A licensee denied approval by the commissioner of health to relocate a facility may continue to operate the facility in its current location, follow the requirements in section 144G.57 and close the facility, or notify the commissioner of health of the licensee's intent to relocate the facility to an alternative new location. If the licensee notifies the commissioner of the licensee's intent to relocate the facility to an alternative new location, paragraph (c) applies, including the timelines for approving or denying the license relocation for the alternative new location.

Subd. 2. Limited exemption from the customized living setting moratorium and age limitations. (a) A licensee that receives approval from the commissioner of health under subdivision 1 to relocate a facility that is also enrolled with the Department of Human Services as a customized living setting to deliver 24-hour customized living services and customized living services as defined by the brain injury and community access for disability inclusion home and community-based services waiver plans and under section 256B.49 must inform the commissioner of human services of the licensee's intent to relocate.
(b) If the licensee at the time of the intended relocation is providing customized living or 24-hour customized living services under the brain injury and community access for disability inclusion home and community-based services waiver plans and section 256B.49 to at least one individual, and the licensee intends to continue serving that individual in the new location, the licensee must inform the commissioner of human services of the licensee's intention to do so and meet the requirements specified under section 256B.49, subdivision 28a.

EFFECTIVE DATE. This section is effective August 1, 2024, except subdivision 2 is effective August 1, 2024, or 90 days after 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 144G.30, subdivision 5, is amended to read:

Subd. 5. Correction orders. (a) A correction order may be issued whenever the commissioner finds upon survey or during a complaint investigation that a facility, a managerial official, an agent of the facility, or an employee of the facility is not in compliance with this chapter. The correction order shall cite the specific statute and document areas of noncompliance and the time allowed for correction.

(b) The commissioner shall mail or email copies of any correction order to the facility within 30 calendar days after the survey exit date. A copy of each correction order and copies of any documentation supplied to the commissioner shall be kept on file by the facility and public documents shall be made available for viewing by any person upon request. Copies may be kept electronically.

(c) By the correction order date, the facility must:

(1) document in the facility's records any action taken to comply with the correction order. The commissioner may request a copy of this documentation and the facility's action to respond to the correction order in future surveys, upon a complaint investigation, and as otherwise needed; and

(2) post or otherwise make available, in a manner or location readily accessible to residents and others, the most recent plan of correction documenting the actions taken by the facility to comply with the correction order.

(d) After the plan of correction is posted or otherwise made available under paragraph (c), clause (2), the facility must provide a copy of the facility's most recent plan of correction to any individual who requests it. A copy of the most recent plan of correction must be provided within 30 days after the request and in a format determined by the facility, except that the facility must make reasonable accommodations in providing the plan of correction in another format upon request.
Section 1. Minnesota Statutes 2022, section 144G.41, subdivision 1, is amended to read:

Subdivision 1. **Minimum requirements.** All assisted living facilities shall:

1. distribute to residents the assisted living bill of rights;
2. provide services in a manner that complies with the Nurse Practice Act in sections 148.171 to 148.285;
3. utilize a person-centered planning and service delivery process;
4. have and maintain a system for delegation of health care activities to unlicensed personnel by a registered nurse, including supervision and evaluation of the delegated activities as required by the Nurse Practice Act in sections 148.171 to 148.285;
5. provide a means for residents to request assistance for health and safety needs 24 hours per day, seven days per week;
6. allow residents the ability to furnish and decorate the resident's unit within the terms of the assisted living contract;
7. permit residents access to food at any time;
8. allow residents to choose the resident's visitors and times of visits;
9. allow the resident the right to choose a roommate if sharing a unit;
10. notify the resident of the resident's right to have and use a lockable door to the resident's unit. The licensee shall provide the locks on the unit. Only a staff member with a specific need to enter the unit shall have keys, and advance notice must be given to the resident before entrance, when possible. An assisted living facility must not lock a resident in the resident's unit;
11. develop and implement a staffing plan for determining its staffing level that:
   i. includes an evaluation, to be conducted at least twice a year, of the appropriateness of staffing levels in the facility;
   ii. ensures sufficient staffing at all times to meet the scheduled and reasonably foreseeable unscheduled needs of each resident as required by the residents' assessments and service plans on a 24-hour per day basis; and
   iii. ensures that the facility can respond promptly and effectively to individual resident emergencies and to emergency, life safety, and disaster situations affecting staff or residents in the facility.

(12) ensure that one or more persons are available 24 hours per day, seven days per week, who are responsible for responding to the requests of residents for assistance with health or safety needs. Such persons must be:

(i) awake;

(ii) located in the same building, in an attached building, or on a contiguous campus with the facility in order to respond within a reasonable amount of time;

(iii) capable of communicating with residents;

(iv) capable of providing or summoning the appropriate assistance; and

(v) capable of following directions; and

(13) offer to provide or make available at least the following services to residents:

(i) at least three nutritious meals daily with snacks available seven days per week, according to the recommended dietary allowances in the United States Department of Agriculture (USDA) guidelines, including seasonal fresh fruit and fresh vegetables. The following apply:

(A) menus must be prepared at least one week in advance, and made available to all residents. The facility must encourage residents’ involvement in menu planning. Meal substitutions must be of similar nutritional value if a resident refuses a food that is served. Residents must be informed in advance of menu changes;

(B) food must be prepared and served according to the Minnesota Food Code, Minnesota Rules, chapter 4626; and

(C) the facility cannot require a resident to include and pay for meals in their contract;

(ii) weekly housekeeping;

(iii) weekly laundry service;

(iv) upon the request of the resident, provide direct or reasonable assistance with arranging for transportation to medical and social services appointments, shopping, and other recreation, and provide the name of or other identifying information about the persons responsible for providing this assistance;

(v) upon the request of the resident, provide reasonable assistance with accessing community resources and social services available in the community, and provide the name of or other identifying information about persons responsible for providing this assistance;

(vi) provide culturally sensitive programs; and
have a daily program of social and recreational activities that are based upon individual and group interests, physical, mental, and psychosocial needs, and that creates opportunities for active participation in the community at large; and

(14) provide staff access to an on-call registered nurse 24 hours per day, seven days per week.

Sec. 2. Minnesota Statutes 2022, section 144G.41, is amended by adding a subdivision to read:

Subd. 1a. Minimum requirements; required food services. (a) All assisted living facilities must offer to provide or make available at least three nutritious meals daily with snacks available seven days per week, according to the recommended dietary allowances in the United States Department of Agriculture (USDA) guidelines, including seasonal fresh fruit and fresh vegetables. The menus must be prepared at least one week in advance, and made available to all residents. The facility must encourage residents' involvement in menu planning. Meal substitutions must be of similar nutritional value if a resident refuses a food that is served. Residents must be informed in advance of menu changes. The facility must not require a resident to include and pay for meals in the resident's contract. Except as provided in paragraph (b), food must be prepared and served according to the Minnesota Food Code, Minnesota Rules, chapter 4626.

(b) For an assisted living facility with a licensed capacity of ten or fewer residents:

(1) notwithstanding Minnesota Rules, part 4626.0033, item A, the facility may share a certified food protection manager (CFPM) with one other facility located within a 60-mile radius and under common management provided the CFPM is present at each facility frequently enough to effectively administer, manage, and supervise each facility's food service operation;

(2) notwithstanding Minnesota Rules, part 4626.0545, item A, kick plates that are not removable or cannot be rotated open are allowed unless the facility has been issued repeated correction orders for violations of Minnesota Rules, part 4626.1565 or 4626.1570;

(3) notwithstanding Minnesota Rules, part 4626.0685, item A, the facility is not required to provide integral drainboards, utensil racks, or tables large enough to accommodate soiled and clean items that may accumulate during hours of operation provided soiled items do not contaminate clean items, surfaces, or food, and clean equipment and dishes are air dried in a manner that prevents contamination before storage;

(4) notwithstanding Minnesota Rules, part 4626.1670, item A, the facility is not required to install a dedicated handwashing sink in its existing kitchen provided it designates one well of a two-compartment sink for use only as a handwashing sink;
(5) notwithstanding Minnesota Rules, parts 4626.1325, 4626.1335, and 4626.1360, item A, existing floor, wall, and ceiling finishes are allowed provided the facility keeps them clean and in good condition;

(6) notwithstanding Minnesota Rules, part 4626.1375, shielded or shatter-resistant lightbulbs are not required, but if a light bulb breaks, the facility must discard all exposed food and fully clean all equipment, dishes, and surfaces to remove any glass particles; and

(7) notwithstanding Minnesota Rules, part 4626.1390, toilet rooms are not required to be provided with a self-closing door;

Sec. 3. Minnesota Statutes 2022, section 144G.41, is amended by adding a subdivision to read:

Subd. 1b. Minimum requirements; other required services. All assisted living facilities must offer to provide or make available the following services to residents:

(1) weekly housekeeping;
(2) weekly laundry service;
(3) upon the request of the resident, provide direct or reasonable assistance with arranging for transportation to medical and social services appointments, shopping, and other recreation, and provide the name of or other identifying information about the persons responsible for providing this assistance;
(4) upon the request of the resident, provide reasonable assistance with accessing community resources and social services available in the community, and provide the name of or other identifying information about persons responsible for providing this assistance;
(5) provide culturally sensitive programs; and
(6) have a daily program of social and recreational activities that are based upon individual and group interests, physical, mental, and psychosocial needs, and that creates opportunities for active participation in the community at large.

Sec. 4. Minnesota Statutes 2022, section 144G.63, subdivision 1, is amended to read:

Subdivision 1. Orientation of staff and supervisors. (a) All staff providing and supervising direct services must complete an orientation to assisted living facility licensing requirements and regulations before providing assisted living services to residents. The orientation may be incorporated into the training required under subdivision 5. The orientation need only be completed once for each staff person and is not transferable to another facility, except as provided in paragraph (b).

(b) A staff person is not required to repeat the orientation required under subdivision 2 if the staff person transfers from one licensed assisted living facility to another facility operated by the same licensee or by a licensee affiliated with the same corporate organization as the licensee of the first facility, or to another facility managed by the same entity managing
the first facility. The facility to which the staff person transfers must document that the staff
person completed the orientation at the prior facility. The facility to which the staff person
transfers must nonetheless provide the transferred staff person with supplemental orientation
specific to the facility and document that the supplemental orientation was provided. The
supplemental orientation must include the types of assisted living services the staff person
will be providing, the facility’s category of licensure, and the facility's emergency procedures.
A staff person cannot transfer to an assisted living facility with dementia care without
satisfying the additional training requirements under section 144G.83.

Sec. 5. Minnesota Statutes 2022, section 144G.63, subdivision 4, is amended to read:

Subd. 4. Training required relating to dementia, mental illness, and de-escalation.
All direct care staff and supervisors providing direct services must demonstrate an understanding
of the training specified in sections 144G.64 and 144G.65.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 6. [144G.65] TRAINING IN MENTAL ILLNESS AND DE-ESCALATION.

Subdivision 1. Training for supervisors.
(a) Within 90 calendar days of the employment start date, all supervisors of direct care staff must complete at least eight hours of initial training on the topics specified in subdivision 6.
(b) New supervisors may satisfy the training required under this subdivision by producing written proof of previously completed required training within the past 18 months.

Subd. 2. Training for direct care staff.
(a) Within 90 calendar days of the employment start date, all direct care staff must complete at least eight hours of initial training on the topics specified in subdivision 6. Until the initial training is complete, a direct care staff member must not provide direct care unless someone is available who can act as a resource, can assist if issues arise, and is either another direct care staff member who has completed the eight hours of required training and is on-site or is a supervisor.
(b) New direct care employees may satisfy the training required under this subdivision by producing written proof of previously completed required training within the past 18 months.

Subd. 3. Training for staff who do not provide direct care.
(a) Within 90 calendar days of the employment start date, all assisted living facility employees who do not provide direct care, including maintenance, housekeeping, and food service staff, must complete at least four hours of initial training on all the topics specified in subdivision 6.
(b) New staff members may satisfy the training required under this subdivision by producing written proof of previously completed required training within the past 18 months.

Subd. 4. Annual training for all staff.
All assisted living staff required to complete initial training under subdivisions 1 to 3 must complete at least two hours of additional training for each year of employment following completion of the initial training. Annual
47.25 training must cover some, but is not required to cover all, of the topics listed under
47.26 subdivision 6.
47.27 Subd. 5. New staff members. A supervisor who has completed the training required
47.28 under subdivision 1 or a person who conducts the initial training must be available for
47.29 consultation with a new staff member on issues related to mental illness and de-escalation
47.30 during the first 90 calendar days of the new staff member's employment start date.
47.31 Subd. 6. Content of training. The initial training on mental illness and de-escalation
47.32 required under this section must include:
47.33 (1) an explanation of the principles of trauma-informed care;
47.34 (2) instruction on incorporating knowledge about trauma into care plans, policies,
47.35 procedures, and practices to avoid retraumatization;
47.36 (3) de-escalation techniques and communication;
47.37 (4) crisis resolution, including a procedure for contacting county crisis response teams;
47.38 (5) suicide prevention, including use of the 988 suicide and crisis lifeline;
47.39 (6) recognizing symptoms of common mental illness diagnoses, including but not limited
47.40 to mood disorders, anxiety disorders, trauma and stressor-related disorders, personality and
47.41 psychotic disorders, substance use disorder, and substance misuse;
47.42 (7) creating and executing person-centered care plans for residents with mental illness;
47.43 (8) information on medications and their side effects, the risks of overmedication or
47.44 improper use of medications, and nonpharmacological interventions; and
47.45 (9) support strategies, resources, and referral sources for residents experiencing diagnoses
47.46 co-occurring with mental illness, including dementia.
47.47 Subd. 7. Information to prospective residents. The facility must provide to prospective
47.48 residents in written or electronic form a description of its training program on mental illness
47.49 and de-escalation, the categories of staff trained, the frequency and amount of training, and
47.50 the basic topics covered.

**EFFECTIVE DATE.** This section is effective January 1, 2025.

32.20 Sec. 4. Minnesota Statutes 2022, section 144G.70, subdivision 2, is amended to read:
32.21 Subd. 2. Initial reviews, assessments, and monitoring. (a) Residents who are not
32.22 receiving any assisted living services shall not be required to undergo an initial nursing
32.23 assessment;
32.24 (b) An assisted living facility shall conduct a nursing assessment by a registered nurse
32.25 of the physical and cognitive needs of the prospective resident and propose a temporary
service plan prior to the date on which a prospective resident executes a contract with a
facility or the date on which a prospective resident moves in, whichever is earlier. If
necessitated by either the geographic distance between the prospective resident and the
facility, or urgent or unexpected circumstances, the assessment may be conducted using
telecommunication methods based on practice standards that meet the resident's needs and
reflect person-centered planning and care delivery.

(c) Resident reassessment and monitoring must be conducted no more than 14 calendar
days after initiation of services. Ongoing resident reassessment and monitoring must be
conducted as needed based on changes in the needs of the resident and cannot exceed 90
calendar days from the last date of the assessment by a registered nurse:

(1) no more than 14 calendar days after initiation of services;
(2) as needed based upon changes in the needs of the resident;
(3) not to exceed 180 calendar days; and
(4) annually.

(d) Focused assessments of the health status of the resident as described in section
148.171, subdivision 14, must be conducted by a registered nurse or licensed practical nurse
to address Minnesota Rules, part 4659.0150, subpart 2, item B; item D, subitems (2) to (4);
and (6); item D, subitems (7) and (8); item E, subitems (2) and (3); item F, subitem (2);
items G to L; and item M, subitems (1) to (5) and (7) to (9), and be scheduled to not exceed
90 days since the last reassessment or focused assessment. Annual assessments conducted
by a registered nurse may take the place of a scheduled 90-day reassessment.

(e) For residents only receiving assisted living services specified in section 144G.08,
subdivision 9, clauses (1) to (5), the facility shall complete an individualized initial review
of the resident's needs and preferences. The initial review must be completed within 30
calendar days of the start of services. Resident monitoring and review must be conducted
as needed based on changes in the needs of the resident and cannot exceed 90 calendar days
from the date of the last review.

(f) A facility must inform the prospective resident of the availability of and contact
information for long-term care consultation services under section 256B.0911, prior to the
date on which a prospective resident executes a contract with a facility or the date on which
a prospective resident moves in, whichever is earlier.
the board must award grants on a competitive basis to respite service providers, giving
priority to areas of the state where there is a high need of respite services.

Sec. 8. Minnesota Statutes 2023 Supplement, section 256.9756, subdivision 2, is amended
to read:

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

Sec. 9. Minnesota Statutes 2023 Supplement, section 256B.0913, subdivision 5, is amended
to read:

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

(1) adult day services and adult day services bath;
(2) home care;
(3) homemaker services;
(4) personal care;
(5) case management and conversion case management;
(6) respite care;
(7) specialized supplies and equipment;
(8) home-delivered meals;
(9) nonmedical transportation;
(10) nursing services;
(11) chore services;
(12) companion services;
(13) nutrition services;
(14) family caregiver training and education;
(15) coaching and counseling;
(16) telehome care to provide services in their own homes in conjunction with in-home
visits;
(17) consumer-directed community supports;
(18) environmental accessibility and adaptations; and
transitional services; and

alternative care program allocation for services not otherwise defined in this section or
section 256B.0625, following approval by the commissioner.

Total annual payments for discretionary services for all clients served by a lead agency
must not exceed 25 percent of that lead agency's annual alternative care program base
allocation; except that when alternative care services receive federal financial participation
under the 1115 waiver demonstration, funding shall be allocated in accordance with
subdivision 17.

EFFECTIVE DATE. This section is effective January 1, 2025, or upon federal approval,
whichever is later. The commissioner of human services shall notify the revisor of statutes
when federal approval is obtained.

Sec. 10. Minnesota Statutes 2022, section 256B.0913, subdivision 5a, is amended to read:

Subd. 5a. Services; service definitions; service standards. (a) Unless specified in
statute, the services, service definitions, and standards for alternative care services shall be
the same as the services, service definitions, and standards specified in the federally approved
elderly waiver plan, except alternative care does not cover transitional support services,
assisted living services, adult foster care services, and residential care and benefits defined
under section 256B.0625 that meet primary and acute health care needs.

(b) The lead agency must ensure that the funds are not used to supplant or supplement
services available through other public assistance or services programs, including
supplementation of client co-pays, deductibles, premiums, or other cost-sharing arrangements
for health-related benefits and services or entitlement programs and services that are available
to the person, but in which they have elected not to enroll. The lead agency must ensure
that the benefit department recovery system in the Medicaid Management Information
System (MMIS) has the necessary information on any other health insurance or third-party
insurance policy to which the client may have access. Supplies and equipment may be
purchased from a vendor not certified to participate in the Medicaid program if the cost for
the item is less than that of a Medicaid vendor.

(c) Personal care services must meet the service standards defined in the federally
approved elderly waiver plan, except that a lead agency may authorize services to be provided
by a client's relative who meets the relative hardship waiver requirements or a relative who
meets the criteria and is also the responsible party under an individual service plan that
ensures the client's health and safety and supervision of the personal care services by a
qualified professional as defined in section 256B.0625; subdivision 19c. Relative hardship
is established by the lead agency when the client's care causes a relative caregiver to do any
of the following: resign from a paying job, reduce work hours resulting in lost wages; obtain
a leave of absence resulting in lost wages; incur substantial client-related expenses; provide
services to address authorized, unstaffed direct care time, or meet special needs of the client
unmet in the formal service plan.

(d) Alternative care covers sign language interpreter services and spoken language
interpreter services for recipients eligible for alternative care when the services are necessary
to help deaf and hard-of-hearing recipients or recipients with limited English proficiency
obtain covered services. Coverage for face-to-face spoken language interpreter services
shall be provided only if the spoken language interpreter used by the enrolled health care
provider is listed in the registry or roster established under section 144.058.

EFFECTIVE DATE. This section is effective January 1, 2025, or upon federal approval,
whichever is later. The commissioner of human services shall notify the revisor of statutes
when federal approval is obtained.

Sec. 11. Minnesota Statutes 2022, section 256B.434, is amended by adding a subdivision
to read:

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

(b) The commissioner shall increase the property rate of a nursing facility located in the
city of St. Paul at 1415 Almond Avenue in Ramsey County by $10.65 on January 1, 2025.

(c) The commissioner shall increase the property rate of a nursing facility located in the
city of Duluth at 3111 Church Place in St. Louis County by $20.81 on January 1, 2025.

(d) The commissioner shall increase the property rate of a nursing facility located in the
city of Chatfield at 1102 Liberty Street SE in Fillmore County by $21.35 on January 1,
2025.

(e) Effective January 1, 2025, through June 30, 2025, the commissioner shall increase
the property rate of a nursing facility located in the city of Fergus Falls at 1131 South
Mabelle Avenue in Ottertail County by $38.56.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 5. Minnesota Statutes 2022, section 256B.49, is amended by adding a subdivision to
read:

Subd. 28a. Limited exemption from the customized living setting moratorium and
age limitations. (a) For the purposes of this subdivision, "operational" has the meaning
given in subdivision 28.

(b) This paragraph applies only to customized living settings enrolled and operational
on or before June 30, 2021, and customized living settings that have previously been exempt
from the customized living moratorium under this paragraph. A setting for which a provider
receives approval from the commissioner of health under section 144G.195, subdivision 1, to relocate a licensed assisted living facility that is also enrolled as a customized living setting to deliver 24-hour customized living services and customized living services as defined by the brain injury and community access for disability inclusion home and community-based services waiver plans and under this section is exempt from the customized living moratorium under subdivision 28.

(c) This paragraph applies only to customized living settings enrolled and operational on or before January 11, 2021, and customized living settings that have previously been deemed a tier 1 customized living setting under this paragraph. A setting for which a provider receives approval from the commissioner of health under section 144G.195, subdivision 1, to relocate a licensed assisted living facility that is also enrolled as a customized living setting to deliver 24-hour customized living services and customized living services as defined by the brain injury and community access for disability inclusion home and community-based services waiver plans and under this section must be deemed a current customized living setting, or tier 1 setting, for the purposes of the application of the home and community-based residential tiered standards under Minnesota’s Home and Community-Based Services Rule Statewide Transition Plan.

EFFECTIVE DATE. This section is effective August 1, 2024, or 90 days after federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

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

Subd. 4. Nursing facility in Minnetonka. (a) For a nursing facility located in Minnetonka and licensed for 21 beds as of February 1, 2024, the commissioner shall use funding from the moratorium exceptions process under section 144A.073 to calculate the facility’s property rate beginning January 1, 2025.

(b) For the purposes of determining the total property payment rate under section 256R.26 for the facility described in paragraph (a), for a project completed in 2023, the final building valuation is equal to the lesser of the limited depreciated replacement cost as determined under section 256R.26, subdivision 3, or 105 percent of the estimated building valuation of $6,650,000.

Sec. 6. Minnesota Statutes 2023 Supplement, section 256R.55, is amended to read:

256R.55 FINANCIALLY DISTRESSED NURSING FACILITY LONG-TERM SERVICES AND SUPPORTS LOAN PROGRAM.

Subdivision 1. Financially distressed nursing facility loans. Long-term services and supports loan program. The commissioner of human services shall establish a competitive financially distressed nursing facility loan program to provide operating loans to eligible
nursing long-term services and supports providers and facilities. The commissioner shall initiate the application process for the loan described in this section at least once annually if money is available. A second application process may be initiated each year at the discretion of the commissioner.

Subd. 2. Eligibility. To be an eligible applicant for a loan under this section, a nursing facility provider must submit to the commissioner of human services a loan application in the form and according to the timelines established by the commissioner. In its loan application, a loan applicant must demonstrate that the following:

(1) for nursing facilities with a medical assistance provider agreement that are licensed as a nursing home or boarding care home according to section 256R.02, subdivision 33:

(i) the total net income of the nursing facility is not generating sufficient revenue to cover the nursing facility's operating expenses;

(ii) the nursing facility is at risk of closure; and

(iii) additional operating revenue is necessary to either preserve access to nursing facility services within the community or support people with complex, high-acuity support needs; and

(2) for other long-term services and supports providers:

(i) demonstration that the provider is enrolled in a Minnesota health care program and provides one or more of the following services in a Minnesota health care program:

(A) home and community-based services under chapter 245D;

(B) personal care assistance services under section 256B.0659;

(C) community first services and supports under section 256B.85;

(D) early intensive developmental and behavioral intervention services under section 256B.0949; or

(E) home care services as defined under section 256B.0651; subdivision 1, paragraph (d); or

(F) customized living services as defined in section 256S.02; and

(ii) additional operating revenue is necessary to preserve access to services within the community, expand services to people within the community, expand services to new communities, or support people with complex, high-acuity support needs.

Subd. 2a. Allowable uses of loan money. (a) A loan awarded to a nursing facility under subdivision 2, clause (1), must only be used to cover the facility's short-term operating expenses. Nursing facilities receiving loans must not use the loan proceeds to pay related organizations as defined in section 256R.02, subdivision 43.
A loan awarded to a long-term services and supports provider under subdivision 2, clause (2), must only be used to cover expenses related to achieving outcomes identified in subdivision 2, clause (2), item (ii).

Subd. 3. Approving loans. The commissioner must evaluate all loan applications on a competitive basis and award loans to successful applicants within available appropriations for this purpose. The commissioner's decisions are final and not subject to appeal.

Subd. 4. Disbursement schedule. Successful loan applicants under this section may receive loan disbursements as a lump sum, or on an agreed upon disbursement schedule, or as a time-limited line of credit. The commissioner shall approve disbursements to successful loan applicants through a memorandum of understanding. Memoranda of understanding must specify the amount and schedule of loan disbursements.

Subd. 5. Loan administration. The commissioner may contract with an independent third party to administer the loan program under this section.

Subd. 6. Loan payments. The commissioner shall negotiate the terms of the loan repayment, including the start of the repayment plan, the due date of the repayment, and the frequency of the repayment installments. Repayment installments must not begin until at least 18 months after the first disbursement date. The memoranda of understanding must specify the amount and schedule of loan payments. The repayment term must not exceed 72 months. If any loan payment to the commissioner is not paid within the time specified by the memoranda of understanding, the late payment must be assessed a penalty rate of 0.01 percent of the original loan amount each month the payment is past due. For nursing facilities, this late fee is not an allowable cost on the department's cost report. The commissioner shall have the power to abate penalties when discrepancies occur resulting from but not limited to circumstances of error and mail delivery.

Subd. 7. Loan repayment. (a) If a borrower is more than 60 calendar days delinquent in the timely payment of a contractual payment under this section, the provisions in paragraphs (b) to (e) apply.

(b) The commissioner may withhold some or all of the amount of the delinquent loan payment, together with any penalties due and owing on those amounts, from any money the department owes to the borrower. The commissioner may, at the commissioner's discretion, also withhold future contractual payments from any money the commissioner owes the provider as those contractual payments become due and owing. The commissioner may continue this withholding until the commissioner determines there is no longer any need to do so.

(c) The commissioner shall give prior notice of the commissioner's intention to withhold by mail, facsimile, or email at least ten business days before the date of the first payment period for which the withholding begins. The notice must be deemed received as of the date of mailing or receipt of the facsimile or electronic notice. The notice must:

(1) state the amount of the delinquent contractual payment,
(2) state the amount of the withholding per payment period;
(3) state the date on which the withholding is to begin;
(4) state whether the commissioner intends to withhold future installments of the provider's contractual payments; and
(5) state other contents as the commissioner deems appropriate.

(d) The commissioner, or the commissioner's designee, may enter into written settlement agreements with a provider to resolve disputes and other matters involving unpaid loan contractual payments or future loan contractual payments.

(e) Notwithstanding any law to the contrary, all unpaid loans, plus any accrued penalties, are overpayments for the purposes of section 256B.0641, subdivision 1. The current owner of a nursing home or boarding care home, or long-term services and supports provider is liable for the overpayment amount owed by a former owner for any facility sold, transferred, or reorganized.

Subd. 8. Audit. Loan money allocated under this section is subject to audit to determine whether the money was spent as authorized under this section.

Subd. 8a. Special revenue account. A long-term services and supports loan account is created in the special revenue fund in the state treasury. Money appropriated for the purposes of this section must be transferred to the long-term services and supports loan account. All payments received under subdivision 6, along with fees, penalties, and interest, must be deposited into the special revenue account and are appropriated to the commissioner for the purposes of this section.

Subd. 9. Carryforward. Notwithstanding section 16A.28, subdivision 3, any appropriation money in the long-term services and supports loan account for the purposes under this section carries forward and does not lapse until the close of the fiscal year in which this section expires.

Subd. 10. Expiration. This section expires June 30, 2029.

EFFECTIVE DATE. This section is effective July 1, 2024, except that subdivision 8a is effective retroactively from July 1, 2023.
(2) the participant requires a support plan that exceeds elderly waiver budgets and rates due to the participant's specific assessed needs; and

(3) the participant meets all eligibility criteria for the elderly waiver.

Subd. 2. Requests for budget and rate exceptions.
(a) A participant eligible under subdivision 1 may request, in a format prescribed by the commissioner, an elderly waiver budget and rate exception when requesting an eligibility determination for elderly waiver services. The participant may request an exception to the elderly waiver case mix caps, the customized living service rate limits, service rates, or any combination of the three.

(b) The participant must document in the request that the participant's needs cannot be met within the existing case mix caps, customized living service rate limits, or service rates and how an exception to any of the three will meet the participant's needs;

(c) The participant must include in the request the basis for the underlying costs used to determine the overall cost of the proposed service plan;

(d) The commissioner must respond to all exception requests, whether the request is granted, denied, or granted as modified. The commissioner must include in the response the basis for the action and provide notification of the right to appeal;

(e) Participants granted exceptions under this section must apply annually in a format prescribed by the commissioner to continue or modify the exception;

(f) A participant no longer qualifies for an exception when the participant's needs can be met within standard elderly waiver budgets and rates;

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

38.1 Sec. 7. Minnesota Statutes 2022, section 256S.205, subdivision 2, is amended to read:

38.2 Subd. 2. Rate adjustment application. (a) Effective through September 30, 2023,
38.3 a facility may apply to the commissioner for designation as a disproportionate share facility.
38.4 Applications must be submitted annually between September 1 and September 30. The
38.5 applying facility must apply in a manner determined by the commissioner. The applying
38.6 facility must document each of the following on the application:
38.7 (1) the number of customized living residents in the facility on September 1 of the
38.8 application year; broken out by specific waiver program; and
38.9 (2) the total number of people residing in the facility on September 1 of the application
38.10 year.
Sec. 14. Minnesota Statutes 2022, section 256S.205, subdivision 5, is amended to read:

Subd. 5. Rate adjustment; rate floor. (a) Effective through December 31, 2024, notwithstanding the 24-hour customized living monthly service rate limits under section 256S.202, subdivision 2, and the component service rates established under section 256S.201, subdivision 4, the commissioner must establish a rate floor equal to $119 per resident per day for 24-hour customized living services provided to an elderly waiver participant in a designated disproportionate share facility.

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

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

EFFECTIVE DATE. This section is effective January 1, 2025.
Sec. 10. Laws 2023, chapter 61, article 9, section 2, subdivision 14, is amended to read:

Subd. 14. Grant Programs; Aging and Adult Services Grants

(a) Vulnerable Adult Act Redesign Phase
Two. $17,129,000 in fiscal year 2024 is for adult protection grants to counties and Tribes under Minnesota Statutes, section 256M.42, Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. The base for this appropriation is $866,000 in fiscal year 2026 and $867,000 in fiscal year 2027.

(b) Caregiver Respite Services Grants.
$1,800,000 in fiscal year 2025 is for caregiver respite services grants under Minnesota Statutes, section 256.9756. This is a onetime appropriation.

(c) Live Well at Home Grants.
$4,575,000 in fiscal year 2024 is for live well at home grants under Minnesota Statutes, section 256.9754, subdivision 3f. This is a onetime appropriation and is available until June 30, 2025.

(d) Senior Nutrition Program.
$10,552,000 in fiscal year 2024 is for the senior nutrition program. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2027. This is a onetime appropriation.

(e) Age-Friendly Community Grants.
$3,000,000 in fiscal year 2024 is for the continuation of age-friendly community grants under Laws 2021, First Special Session chapter 7, article 17, section 8, subdivision 1; Notwithstanding Minnesota Statutes, section 16A.28; this is a onetime appropriation and is available until June 30, 2027.

(f) Age-Friendly Technical Assistance
Grants, $1,725,000 in fiscal year 2024 is for
the continuation of age-friendly technical
assistance grants under Laws 2021, First
Special Session chapter 7, article 17, section
8, subdivision 2. Notwithstanding Minnesota
Statutes, section 16A.28, this is a onetime
appropriation and is available until June 30, 2027;

(g) Financially Distressed Nursing Facility
Long-Term Services and Supports Loan
Program. $93,200,000 in fiscal year 2024 is
for the financially distressed nursing facility
long-term services and supports loan program
under Minnesota Statutes, section 256R.55,
and is available as provided therein;

(h) Base Level Adjustment. The general fund
base is $33,861,000 in fiscal year 2026 and
$33,862,000 in fiscal year 2027;

Sec. 15. DIRECTION TO COMMISSIONER; HOME AND COMMUNITY-BASED
SERVICES SYSTEM REFORM ANALYSIS.

(a) The commissioner of human services must study Minnesota's existing home and
community-based services system for older adults and evaluate options to meet the needs
of older adults with high support needs that cannot be addressed by services or individual
participant budgets available under the elderly waiver. The commissioner must propose
reforms to the home and community-based services system to meet the following goals:

(1) address the needs of older adults with high support needs, including older adults with
high support needs currently residing in the community;

(2) develop provider capacity to meet the needs of older adults with high support needs;

(3) ensure access to a full range of services and supports necessary to address the needs
of older adults with high support needs;

(b) The commissioner must submit a report with recommendations to meet the goals in
paragraph (a) to the chairs and ranking minority members of the legislative committees with
jurisdiction over human services finance and policy by December 31, 2025;

Sec. 11. PACE IMPLEMENTATION.

By January 15, 2025, the commissioner of human services shall submit to the chairs and
ranking minority members of the legislative committees with jurisdiction over human
services a proposal for the implementation of a PACE program in Minnesota, as authorized
under section 9412(b)(2) of the federal Omnibus Reconciliation Act of 1986, Public Law
99-509, and Minnesota Statutes, section 256B.69, subdivision 23. The commissioner's
proposal must include:

(1) timelines for submission of any necessary Medicaid state plan amendments;
(2) details for issuing a request for proposals for PACE; and
(3) any administrative framework required to implement PACE, award contracts, and
monitor beneficiary enrollment in PACE by January 1, 2027, or upon federal approval,
whichever is later.

Sec. 12. REVISOR INSTRUCTION.

The revisor of statutes shall renumber Minnesota Statutes, section 256R.55, as Minnesota
Statutes, section 256.4792, and correct all cross-references.

Sec. 13. REPEALER.

Minnesota Statutes 2022, section 256S.205, subdivision 4, is repealed.

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