

173.1 **ARTICLE 6**

173.2 **DEPARTMENT OF HUMAN SERVICES PROGRAM INTEGRITY**

173.3 Section 1. Minnesota Statutes 2024, section 13.46, subdivision 2, is amended to read:

173.4 Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated

173.5 by the welfare system are private data on individuals, and shall not be disclosed except:

173.6 (1) according to section 13.05;

173.7 (2) according to court order;

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

173.9 (4) to an agent of the welfare system and an or investigator acting on behalf of a county,

173.10 the state, or the federal government, including a law enforcement person or attorney in the

173.11 investigation or prosecution of a criminal, civil, or administrative proceeding relating to the

173.12 administration of a program;

173.13 (5) to personnel of the welfare system who require the data to verify an individual's

173.14 identity; determine eligibility, amount of assistance, and the need to provide services to an

173.15 individual or family across programs; coordinate services for an individual or family;

173.16 evaluate the effectiveness of programs; assess parental contribution amounts; and investigate

173.17 suspected fraud;

173.18 (6) to administer federal funds or programs;

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

173.20 (8) to the Department of Revenue to administer and evaluate tax refund or tax credit

173.21 programs and to identify individuals who may benefit from these programs, and prepare

173.22 the databases for reports required under section 270C.13 and Laws 2008, chapter 366, article

173.23 17, section 6. The following information may be disclosed under this paragraph: an

173.24 individual's and their dependent's names, dates of birth, Social Security or individual taxpayer

173.25 identification numbers, income, addresses, and other data as required, upon request by the

173.26 Department of Revenue. Disclosures by the commissioner of revenue to the commissioner

173.27 of human services for the purposes described in this clause are governed by section 270B.14,

173.28 subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent

173.29 care credit under section 290.067, the Minnesota working family credit under section

173.30 290.0671, the property tax refund under section 290A.04, and the Minnesota education

173.31 credit under section 290.0674;

174.1 (9) between the Department of Human Services; the Department of Employment and

174.2 Economic Development; the Department of Children, Youth, and Families; Direct Care and

174.3 Treatment; and, when applicable, the Department of Education, for the following purposes:

174.4 (i) to monitor the eligibility of the data subject for unemployment benefits, for any

174.5 employment or training program administered, supervised, or certified by that agency;

411.17 **ARTICLE 14**

411.18 **DEPARTMENT OF HUMAN SERVICES PROGRAM INTEGRITY**

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

174.8 (iii) to monitor and evaluate the Minnesota family investment program or the child care  
174.9 assistance program by exchanging data on recipients and former recipients of Supplemental  
174.10 Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 142F, 256D,  
174.11 256J, or 256K, child care assistance under chapter 142E, medical programs under chapter  
174.12 256B or 256L; and

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

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

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

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

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

175.4 (14) participant Social Security or individual taxpayer identification numbers and names  
175.5 collected by the telephone assistance program may be disclosed to the Department of  
175.6 Revenue to conduct an electronic data match with the property tax refund database to  
175.7 determine eligibility under section 237.70, subdivision 4a;

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

175.11 (i) the participant:

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

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

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

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

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

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

175.26 (18) the address, Social Security or individual taxpayer identification number, and, if  
175.27 available, photograph of any member of a household receiving SNAP benefits shall be made  
175.28 available, on request, to a local, state, or federal law enforcement officer if the officer  
175.29 furnishes the agency with the name of the member and notifies the agency that:

175.30 (i) the member:

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

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

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

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

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

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

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

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

176.19 (22) data in the work reporting system may be disclosed under section 142A.29,  
176.20 subdivision 7;

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

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

176.32 (25) to other state agencies, statewide systems, and political subdivisions of this state,  
176.33 including the attorney general, and agencies of other states, interstate information networks,  
177.1 federal agencies, and other entities as required by federal regulation or law for the  
177.2 administration of the child support enforcement program;

177.3 (26) to personnel of public assistance programs as defined in section 518A.81, for access  
177.4 to the child support system database for the purpose of administration, including monitoring  
177.5 and evaluation of those public assistance programs;

177.6 (27) to monitor and evaluate the Minnesota family investment program by exchanging  
177.7 data between the Departments of Human Services; Children, Youth, and Families; and  
177.8 Education, on recipients and former recipients of SNAP benefits, cash assistance under  
177.9 chapter 142F, 256D, 256J, or 256K, child care assistance under chapter 142E, medical  
177.10 programs under chapter 256B or 256L, or a medical program formerly codified under chapter  
177.11 256D;

177.12 (28) to evaluate child support program performance and to identify and prevent fraud  
177.13 in the child support program by exchanging data between the Department of Human Services;  
177.14 Department of Children, Youth, and Families; Department of Revenue under section 270B.14,  
177.15 subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph  
177.16 (c); Department of Health; Department of Employment and Economic Development; and  
177.17 other state agencies as is reasonably necessary to perform these functions;

177.18 (29) counties and the Department of Children, Youth, and Families operating child care  
177.19 assistance programs under chapter 142E may disseminate data on program participants,  
177.20 applicants, and providers to the commissioner of education;

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

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

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

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

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

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

178.4 (ii) to provide for reimbursement of special transportation service provided under section  
178.5 473.386.

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

178.9 (b) Information on persons who have been treated for substance use disorder may only  
178.10 be disclosed according to the requirements of Code of Federal Regulations, title 42, sections  
178.11 2.1 to 2.67.

178.12 (c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16),  
178.13 (17), or (18), or paragraph (b), are investigative data and are confidential or protected  
178.14 nonpublic while the investigation is active. The data are private after the investigation  
178.15 becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

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

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

178.20 Sec. 2. Minnesota Statutes 2024, section 13.46, subdivision 3, is amended to read:

178.21 Subd. 3. **Investigative data.** (a) Data on persons, including data on vendors of services,  
178.22 licensees, and applicants that is collected, maintained, used, or disseminated by the welfare  
178.23 system in an investigation, authorized by statute, and relating to the enforcement of rules  
178.24 or law are confidential data on individuals pursuant to section 13.02, subdivision 3, or  
178.25 protected nonpublic data not on individuals pursuant to section 13.02, subdivision 13, and  
178.26 shall not be disclosed except:

178.27 (1) pursuant to section 13.05;

178.28 (2) pursuant to statute or valid court order;

178.29 (3) to a party named in a civil or criminal proceeding, administrative or judicial, for  
178.30 preparation of defense;

178.31 (4) to an agent of the welfare system or an investigator acting on behalf of a county,  
178.32 state, or federal government, including a law enforcement officer or attorney in the  
179.1 investigation or prosecution of a criminal, civil, or administrative proceeding, unless the  
179.2 commissioner of human services or commissioner of children, youth, and families determines  
179.3 that disclosure may compromise a Department of Human Services or Department of Children,  
179.4 Youth, and Families ongoing investigation; or

179.5 (5) to provide notices required or permitted by statute.

179.6 The data referred to in this subdivision shall be classified as public data upon submission  
179.7 to an administrative law judge or court in an administrative or judicial proceeding. Inactive  
179.8 welfare investigative data shall be treated as provided in section 13.39, subdivision 3.

179.9 (b) Notwithstanding any other provision in law, the commissioner of human services  
179.10 shall provide all active and inactive investigative data, including the name of the reporter  
179.11 of alleged maltreatment under section 626.557 or chapter 260E, to the ombudsman for  
179.12 mental health and developmental disabilities upon the request of the ombudsman.

179.13 (c) Notwithstanding paragraph (a) and section 13.39, the existence of an investigation  
179.14 by the commissioner of human services of possible overpayments of public funds to a service  
179.15 provider or recipient or the reduction or withholding of payments may be disclosed if the  
179.16 commissioner determines that it will not compromise the investigation.

179.17 **EFFECTIVE DATE.** This section is effective July 1, 2025.

179.18 Sec. 3. Minnesota Statutes 2024, section 245.095, subdivision 5, is amended to read:

179.19 Subd. 5. **Withholding of payments.** (a) Except as otherwise provided by state or federal  
179.20 law, the commissioner may withhold payments to a provider, vendor, individual, associated  
179.21 individual, or associated entity in any program administered by the commissioner if the  
179.22 commissioner determines;

411.19 Section 1. Minnesota Statutes 2024, section 13.46, subdivision 3, is amended to read:

411.20 Subd. 3. **Investigative data.** (a) Data on persons, including data on vendors of services,  
411.21 licensees, and applicants that is collected, maintained, used, or disseminated by the welfare  
411.22 system in an investigation, authorized by statute, and relating to the enforcement of rules  
411.23 or law are confidential data on individuals pursuant to section 13.02, subdivision 3, or  
411.24 protected nonpublic data not on individuals pursuant to section 13.02, subdivision 13, and  
411.25 shall not be disclosed except:

411.26 (1) pursuant to section 13.05;

411.27 (2) pursuant to statute or valid court order;

411.28 (3) to a party named in a civil or criminal proceeding, administrative or judicial, for  
411.29 preparation of defense;

412.1 (4) to an agent of the welfare system or an investigator acting on behalf of a county,  
412.2 state, or federal government, including a law enforcement officer or attorney in the  
412.3 investigation or prosecution of a criminal, civil, or administrative proceeding, unless the  
412.4 commissioner of human services or commissioner of children, youth, and families determines  
412.5 that disclosure may compromise a Department of Human Services or Department of Children,  
412.6 Youth, and Families ongoing investigation; or

412.7 (5) to provide notices required or permitted by statute.

412.8 The data referred to in this subdivision shall be classified as public data upon submission  
412.9 to an administrative law judge or court in an administrative or judicial proceeding. Inactive  
412.10 welfare investigative data shall be treated as provided in section 13.39, subdivision 3.

412.11 (b) Notwithstanding any other provision in law, the commissioner of human services  
412.12 shall provide all active and inactive investigative data, including the name of the reporter  
412.13 of alleged maltreatment under section 626.557 or chapter 260E, to the ombudsman for  
412.14 mental health and developmental disabilities upon the request of the ombudsman.

412.15 (c) Notwithstanding paragraph (a) and section 13.39, the existence of an investigation  
412.16 by the commissioner of human services of possible overpayments of public funds to a service  
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412.18 commissioner determines that it will not compromise the investigation.

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412.20 Sec. 2. Minnesota Statutes 2024, section 245.095, subdivision 5, is amended to read:

412.21 Subd. 5. **Withholding of payments.** (a) Except as otherwise provided by state or federal  
412.22 law, the commissioner may withhold payments to a provider, vendor, individual, associated  
412.23 individual, or associated entity in any program administered by the commissioner if the  
412.24 commissioner determines;

179.23 (1) there is a credible allegation of fraud for which an investigation is pending for a  
179.24 program administered by a Minnesota state or federal agency;

179.25 (2) the individual, the entity, or an associated individual or entity was convicted of a  
179.26 crime charged in state or federal court with an offense that involves fraud or theft against  
179.27 a program administered by the commissioner or another Minnesota state or federal agency.  
179.28 For purposes of this subdivision, "convicted" means a judgment of conviction has been  
179.29 entered by a federal, state, or local court, regardless of whether an appeal from the judgment  
179.30 is pending, and includes a stay of adjudication, a court-ordered diversion program, or a plea  
179.31 of guilty or nolo contendere;

180.1 (3) the provider is operating after a Minnesota state or federal agency orders the  
180.2 suspension, revocation, or decertification of the provider's license;

180.3 (4) the provider, vendor, associated individual, or associated entity, including those  
180.4 receiving funds under any contract or registered program, has a background study  
180.5 disqualification under chapter 245C that has not been set aside and for which no variance  
180.6 has been issued, except for a disqualification under sections 245C.14, subdivision 5, and  
180.7 245C.15, subdivision 4c; or

180.8 (5) by a preponderance of the evidence that the provider, vendor, individual, associated  
180.9 individual, or associated entity intentionally provided materially false information on the  
180.10 provider's billing forms.

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

180.13 (1) fraud hotline complaints;

180.14 (2) claims data mining;

180.15 (3) patterns identified through provider audits, civil false claims cases, and law  
180.16 enforcement investigations; and

180.17 (4) court filings and other legal documents, including but not limited to police reports,  
180.18 complaints, indictments, informations, affidavits, declarations, and search warrants.

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

180.21 (1) state that payments are being withheld according to this subdivision;

180.22 (2) set forth the general allegations related to the withholding action, except the notice  
180.23 need not disclose specific information concerning an ongoing investigation;

180.24 (3) state that the withholding is for a temporary period and cite the circumstances under  
180.25 which the withholding will be terminated; and

412.25 (1) there is a credible allegation of fraud for which an investigation is pending for a  
412.26 program administered by a Minnesota state or federal agency;

412.27 (2) the individual, the entity, or an associated individual or entity was convicted of a  
412.28 crime charged in state or federal court with an offense that involves fraud or theft against  
412.29 a program administered by the commissioner or another state or federal agency. For purposes  
412.30 of this subdivision, "convicted" means a judgment of conviction has been entered by a  
412.31 federal, state, or local court, regardless of whether an appeal from the judgment is pending,  
412.32 and includes a stay of adjudication, a court-ordered diversion program, or a plea of guilty  
412.33 or nolo contendere;

413.1 (3) the provider is operating after a state or federal agency orders the suspension,  
413.2 revocation, or decertification of the provider's license;

413.3 (4) the provider, vendor, associated individual, or associated entity, including those  
413.4 receiving funds under any contract or registered program, has a background study  
413.5 disqualification under chapter 245C that has not been set aside and for which no variance  
413.6 has been issued, except for a disqualification under sections 245C.14, subdivision 5, and  
413.7 245C.15, subdivision 4c; or

413.8 (5) by a preponderance of the evidence that the provider, vendor, individual, associated  
413.9 individual, or associated entity intentionally provided materially false information on the  
413.10 provider's billing forms.

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

413.13 (1) fraud hotline complaints;

413.14 (2) claims data mining;

413.15 (3) patterns identified through provider audits, civil false claims cases, and law  
413.16 enforcement investigations; and

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413.20 of taking such action. The notice must:

413.21 (1) state that payments are being withheld according to this subdivision;

413.22 (2) set forth the general allegations related to the withholding action, except the notice  
413.23 need not disclose specific information concerning an ongoing investigation;

413.24 (3) state that the withholding is for a temporary period and cite the circumstances under  
413.25 which the withholding will be terminated; and

180.26 (4) inform the provider, vendor, individual, associated individual, or associated entity  
180.27 of the right to submit written evidence to contest the withholding action for consideration  
180.28 by the commissioner.

180.29 (d) If the commissioner withholds payments under this subdivision, the provider, vendor,  
180.30 individual, associated individual, or associated entity has a right to request administrative  
180.31 reconsideration. A request for administrative reconsideration must be made in writing, state  
180.32 with specificity the reasons the payment withholding decision is in error, and include  
181.1 documents to support the request. Within 60 days from receipt of the request, the  
181.2 commissioner shall judiciously review allegations, facts, evidence available to the  
181.3 commissioner, and information submitted by the provider, vendor, individual, associated  
181.4 individual, or associated entity to determine whether the payment withholding should remain  
181.5 in place.

181.6 (e) The commissioner shall stop withholding payments if the commissioner determines  
181.7 there is insufficient evidence of fraud by the provider, vendor, individual, associated  
181.8 individual, or associated entity or when legal proceedings relating to the alleged fraud are  
181.9 completed, unless the commissioner has sent notice under subdivision 3 to the provider,  
181.10 vendor, individual, associated individual, or associated entity.

181.11 (f) The withholding of payments is a temporary action and is not subject to appeal under  
181.12 section 256.045 or chapter 14.

181.13 **EFFECTIVE DATE.** This section is effective July 1, 2025.

181.14 Sec. 4. Minnesota Statutes 2024, section 245.095, is amended by adding a subdivision to  
181.15 read:

181.16 Subd. 6. **Data practices.** The commissioner may exchange information, including claims  
181.17 data, with state or federal agencies, professional boards, departments, or programs for the  
181.18 purpose of investigating or prosecuting a criminal, civil, or administrative proceeding related  
181.19 to suspected fraud or exclusion from any program administered by a state or federal agency.

181.20 Sec. 5. Minnesota Statutes 2024, section 245A.03, is amended by adding a subdivision to  
181.21 read:

181.22 Subd. 7a. **Discretionary temporary licensing moratorium.** (a) The commissioner must  
181.23 not issue an initial license for an individual, organization, or government entity seeking  
181.24 licensure under this chapter and must not add a new service to an existing license when the  
181.25 commissioner determines that exceptional growth in applications for licensure or requests  
181.26 to add new services exceeds the determined need for service capacity. The determined need  
181.27 for service capacity may be limited to a specific region, service focus, or other factors as  
181.28 determined by the commissioner. A temporary licensing moratorium issued under this  
181.29 subdivision is effective for a period of up to 24 months from the date the commissioner  
181.30 issues the moratorium.

413.26 (4) inform the provider, vendor, individual, associated individual, or associated entity  
413.27 of the right to submit written evidence to contest the withholding action for consideration  
413.28 by the commissioner.

413.29 (d) If the commissioner withholds payments under this subdivision, the provider, vendor,  
413.30 individual, associated individual, or associated entity has a right to request administrative  
413.31 reconsideration. A request for administrative reconsideration must be made in writing, state  
413.32 with specificity the reasons the payment withholding decision is in error, and include  
414.1 documents to support the request. Within 60 days from receipt of the request, the  
414.2 commissioner shall judiciously review allegations, facts, evidence available to the  
414.3 commissioner, and information submitted by the provider, vendor, individual, associated  
414.4 individual, or associated entity to determine whether the payment withholding should remain  
414.5 in place.

414.6 (e) The commissioner shall stop withholding payments if the commissioner determines  
414.7 there is insufficient evidence of fraud by the provider, vendor, individual, associated  
414.8 individual, or associated entity or when legal proceedings relating to the alleged fraud are  
414.9 completed, unless the commissioner has sent notice under subdivision 3 to the provider,  
414.10 vendor, individual, associated individual, or associated entity.

414.11 (f) The withholding of payments is a temporary action and is not subject to appeal under  
414.12 section 256.045 or chapter 14.

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414.17 data, with state or federal agencies, professional boards, departments, or programs for the  
414.18 purpose of investigating or prosecuting a criminal, civil, or administrative proceeding related  
414.19 to suspected fraud or exclusion from any program administered by a state or federal agency.



182.1 (b) Any applicant that will not receive a license due to a temporary licensing moratorium  
182.2 issued under paragraph (a) may apply for a refund of licensing application fees for up to  
182.3 one year from the date the commissioner issues the moratorium.

182.4 (c) The commissioner must notify the chairs and ranking minority members of the  
182.5 legislative committees with jurisdiction over health and human services at least 30 days  
182.6 prior to issuing a temporary moratorium under this subdivision and publish notice of the  
182.7 moratorium on the department's website. The notice must include:

182.8 (1) a list of all license types to which the moratorium will apply;

182.9 (2) the proposed start date of the moratorium; and

182.10 (3) the anticipated duration of the moratorium.

182.11 (d) The commissioner must establish and make publicly available the processes and  
182.12 criteria the commissioner will use to grant exceptions to a temporary moratorium issued  
182.13 under this subdivision.

182.14 Sec. 6. Minnesota Statutes 2024, section 245A.04, subdivision 1, is amended to read:

182.15 Subdivision 1. **Application for licensure.** (a) An individual, organization, or government  
182.16 entity that is subject to licensure under section 245A.03 must apply for a license. The  
182.17 application must be made on the forms and in the manner prescribed by the commissioner.  
182.18 The commissioner shall provide the applicant with instruction in completing the application  
182.19 and provide information about the rules and requirements of other state agencies that affect  
182.20 the applicant. An applicant seeking licensure in Minnesota with headquarters outside of  
182.21 Minnesota must have a program office located within 30 miles of the Minnesota border.  
182.22 An applicant who intends to buy or otherwise acquire a program or services licensed under  
182.23 this chapter that is owned by another license holder must apply for a license under this  
182.24 chapter and comply with the application procedures in this section and section 245A.043.

182.25 The commissioner shall act on the application within 90 working days after a complete  
182.26 application and any required reports have been received from other state agencies or  
182.27 departments, counties, municipalities, or other political subdivisions. The commissioner  
182.28 shall not consider an application to be complete until the commissioner receives all of the  
182.29 required information. If the applicant or a controlling individual is the subject of a pending  
182.30 administrative, civil, or criminal investigation, the application is not complete until the  
182.31 investigation has closed or the related legal proceedings are complete.

182.32 When the commissioner receives an application for initial licensure that is incomplete  
182.33 because the applicant failed to submit required documents or that is substantially deficient  
183.1 because the documents submitted do not meet licensing requirements, the commissioner  
183.2 shall provide the applicant written notice that the application is incomplete or substantially  
183.3 deficient. In the written notice to the applicant the commissioner shall identify documents  
183.4 that are missing or deficient and give the applicant 45 days to resubmit a second application  
183.5 that is substantially complete. An applicant's failure to submit a substantially complete

414.20 Sec. 4. Minnesota Statutes 2024, section 245A.04, subdivision 1, is amended to read:

414.21 Subdivision 1. **Application for licensure.** (a) An individual, organization, or government  
414.22 entity that is subject to licensure under section 245A.03 must apply for a license. The  
414.23 application must be made on the forms and in the manner prescribed by the commissioner.  
414.24 The commissioner shall provide the applicant with instruction in completing the application  
414.25 and provide information about the rules and requirements of other state agencies that affect  
414.26 the applicant. An applicant seeking licensure in Minnesota with headquarters outside of  
414.27 Minnesota must have a program office located within 30 miles of the Minnesota border.  
414.28 An applicant who intends to buy or otherwise acquire a program or services licensed under  
414.29 this chapter that is owned by another license holder must apply for a license under this  
414.30 chapter and comply with the application procedures in this section and section 245A.043.

414.31 The commissioner shall act on the application within 90 working days after a complete  
414.32 application and any required reports have been received from other state agencies or  
415.1 departments, counties, municipalities, or other political subdivisions. The commissioner  
415.2 shall not consider an application to be complete until the commissioner receives all of the  
415.3 required information. If the applicant or a controlling individual is the subject of a pending  
415.4 administrative, civil, or criminal investigation, the application is not complete until the  
415.5 investigation has closed or the related legal proceedings are complete.

415.6 When the commissioner receives an application for initial licensure that is incomplete  
415.7 because the applicant failed to submit required documents or that is substantially deficient  
415.8 because the documents submitted do not meet licensing requirements, the commissioner  
415.9 shall provide the applicant written notice that the application is incomplete or substantially  
415.10 deficient. In the written notice to the applicant the commissioner shall identify documents  
415.11 that are missing or deficient and give the applicant 45 days to resubmit a second application  
415.12 that is substantially complete. An applicant's failure to submit a substantially complete

183.6 application after receiving notice from the commissioner is a basis for license denial under  
183.7 section 245A.043.

183.8 (b) An application for licensure must identify all controlling individuals as defined in  
183.9 section 245A.02, subdivision 5a, and must designate one individual to be the authorized  
183.10 agent. The application must be signed by the authorized agent and must include the authorized  
183.11 agent's first, middle, and last name; mailing address; and email address. By submitting an  
183.12 application for licensure, the authorized agent consents to electronic communication with  
183.13 the commissioner throughout the application process. The authorized agent must be  
183.14 authorized to accept service on behalf of all of the controlling individuals. A government  
183.15 entity that holds multiple licenses under this chapter may designate one authorized agent  
183.16 for all licenses issued under this chapter or may designate a different authorized agent for  
183.17 each license. Service on the authorized agent is service on all of the controlling individuals.  
183.18 It is not a defense to any action arising under this chapter that service was not made on each  
183.19 controlling individual. The designation of a controlling individual as the authorized agent  
183.20 under this paragraph does not affect the legal responsibility of any other controlling individual  
183.21 under this chapter.

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

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

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

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

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

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

415.13 application after receiving notice from the commissioner is a basis for license denial under  
415.14 section 245A.043.

415.15 (b) An application for licensure must identify all controlling individuals as defined in  
415.16 section 245A.02, subdivision 5a, and must designate one individual to be the authorized  
415.17 agent. The application must be signed by the authorized agent and must include the authorized  
415.18 agent's first, middle, and last name; mailing address; and email address. By submitting an  
415.19 application for licensure, the authorized agent consents to electronic communication with  
415.20 the commissioner throughout the application process. The authorized agent must be  
415.21 authorized to accept service on behalf of all of the controlling individuals. A government  
415.22 entity that holds multiple licenses under this chapter may designate one authorized agent  
415.23 for all licenses issued under this chapter or may designate a different authorized agent for  
415.24 each license. Service on the authorized agent is service on all of the controlling individuals.  
415.25 It is not a defense to any action arising under this chapter that service was not made on each  
415.26 controlling individual. The designation of a controlling individual as the authorized agent  
415.27 under this paragraph does not affect the legal responsibility of any other controlling individual  
415.28 under this chapter.

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

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

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

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

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

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

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

184.12 (4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique  
184.13 Minnesota Provider Identifier (UMPI) number; and

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

184.16 (g) When an applicant is an organization, the applicant must provide:

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

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

184.22 (3) the first, middle, and last name, and address for all individuals who will be controlling  
184.23 individuals, including all officers, owners, and managerial officials as defined in section  
184.24 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant  
184.25 for each controlling individual;

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

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

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

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

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

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

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

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

185.10 (i) At the time of application for licensure or renewal of a license under this chapter, the  
185.11 applicant or license holder must acknowledge on the form provided by the commissioner

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

416.20 (4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique  
416.21 Minnesota Provider Identifier (UMPI) number; and

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

416.24 (g) When an applicant is an organization, the applicant must provide:

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

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

416.30 (3) the first, middle, and last name, and address for all individuals who will be controlling  
416.31 individuals, including all officers, owners, and managerial officials as defined in section  
417.1 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant  
417.2 for each controlling individual;

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

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

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

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

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

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

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

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

417.19 (i) At the time of application for licensure or renewal of a license under this chapter, the  
417.20 applicant or license holder must acknowledge on the form provided by the commissioner

185.12 if the applicant or license holder elects to receive any public funding reimbursement from  
185.13 the commissioner for services provided under the license that:

185.14 (1) the applicant's or license holder's compliance with the provider enrollment agreement  
185.15 or registration requirements for receipt of public funding may be monitored by the  
185.16 commissioner as part of a licensing investigation or licensing inspection; and

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

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

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

185.25 (iii) recovery of payments made for the service;

185.26 (iv) disenrollment in the public payment program; or

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

185.28 Sec. 7. Minnesota Statutes 2024, section 245A.04, subdivision 7, is amended to read:

185.29 Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that  
185.30 the program complies with all applicable rules and laws, the commissioner shall issue a  
186.1 license consistent with this section or, if applicable, a temporary change of ownership license  
186.2 under section 245A.043. At minimum, the license shall state:

186.3 (1) the name of the license holder;

186.4 (2) the address of the program;

186.5 (3) the effective date and expiration date of the license;

186.6 (4) the type of license, and the specific service the license holder is licensed to provide;

186.7 (5) the maximum number and ages of persons that may receive services from the program;

186.8 and

186.9 (6) any special conditions of licensure.

186.10 (b) The commissioner may issue a license for a period not to exceed two years if:

186.11 (1) the commissioner is unable to conduct the observation required by subdivision 4,  
186.12 paragraph (a), clause (3), because the program is not yet operational;

186.13 (2) certain records and documents are not available because persons are not yet receiving  
186.14 services from the program; and

417.21 if the applicant or license holder elects to receive any public funding reimbursement from  
417.22 the commissioner for services provided under the license that:

417.23 (1) the applicant's or license holder's compliance with the provider enrollment agreement  
417.24 or registration requirements for receipt of public funding may be monitored by the  
417.25 commissioner as part of a licensing investigation or licensing inspection; and

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

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

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

418.3 (iii) recovery of payments made for the service;

418.4 (iv) disenrollment in the public payment program; or

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

186.15 (3) the applicant complies with applicable laws and rules in all other respects.

186.16 (c) A decision by the commissioner to issue a license does not guarantee that any person  
186.17 or persons will be placed or cared for in the licensed program.

186.18 (d) Except as provided in paragraphs (i) and (j), the commissioner shall not issue a  
186.19 license if the applicant, license holder, or an affiliated controlling individual has:

186.20 (1) been disqualified and the disqualification was not set aside and no variance has been  
186.21 granted;

186.22 (2) been denied a license under this chapter or chapter 142B within the past two years;

186.23 (3) had a license issued under this chapter or chapter 142B revoked within the past five  
186.24 years; or

186.25 (4) failed to submit the information required of an applicant under subdivision 1,  
186.26 paragraph (f), (g), or (h), after being requested by the commissioner.

186.27 When a license issued under this chapter or chapter 142B is revoked, the license holder  
186.28 and each affiliated controlling individual with a revoked license may not hold any license  
186.29 under chapter 245A for five years following the revocation, and other licenses held by the  
187.1 applicant or license holder or licenses affiliated with each controlling individual shall also  
187.2 be revoked.

187.3 (e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license  
187.4 affiliated with a license holder or controlling individual that had a license revoked within  
187.5 the past five years if the commissioner determines that (1) the license holder or controlling  
187.6 individual is operating the program in substantial compliance with applicable laws and rules  
187.7 and (2) the program's continued operation is in the best interests of the community being  
187.8 served.

187.9 (f) Notwithstanding paragraph (d), the commissioner may issue a new license in response  
187.10 to an application that is affiliated with an applicant, license holder, or controlling individual  
187.11 that had an application denied within the past two years or a license revoked within the past  
187.12 five years if the commissioner determines that (1) the applicant or controlling individual  
187.13 has operated one or more programs in substantial compliance with applicable laws and rules  
187.14 and (2) the program's operation would be in the best interests of the community to be served.

187.15 (g) In determining whether a program's operation would be in the best interests of the  
187.16 community to be served, the commissioner shall consider factors such as the number of  
187.17 persons served, the availability of alternative services available in the surrounding  
187.18 community, the management structure of the program, whether the program provides  
187.19 culturally specific services, and other relevant factors.

187.20 (h) The commissioner shall not issue or reissue a license under this chapter if an individual  
187.21 living in the household where the services will be provided as specified under section

187.22 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside  
187.23 and no variance has been granted.

187.24 (i) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued  
187.25 under this chapter has been suspended or revoked and the suspension or revocation is under  
187.26 appeal, the program may continue to operate pending a final order from the commissioner.  
187.27 If the license under suspension or revocation will expire before a final order is issued, a  
187.28 temporary provisional license may be issued provided any applicable license fee is paid  
187.29 before the temporary provisional license is issued.

187.30 (j) Notwithstanding paragraph (i), when a revocation is based on the disqualification of  
187.31 a controlling individual or license holder, and the controlling individual or license holder  
187.32 is ordered under section 245C.17 to be immediately removed from direct contact with  
187.33 persons receiving services or is ordered to be under continuous, direct supervision when  
187.34 providing direct contact services, the program may continue to operate only if the program  
188.1 complies with the order and submits documentation demonstrating compliance with the  
188.2 order. If the disqualified individual fails to submit a timely request for reconsideration, or  
188.3 if the disqualification is not set aside and no variance is granted, the order to immediately  
188.4 remove the individual from direct contact or to be under continuous, direct supervision  
188.5 remains in effect pending the outcome of a hearing and final order from the commissioner.

188.6 (k) Unless otherwise specified by statute, all licenses issued under this chapter expire  
188.7 at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must  
188.8 apply for and be granted a new license to operate the program or the program must not be  
188.9 operated after the expiration date.

188.10 (l) The commissioner shall not issue or reissue a license under this chapter if it has been  
188.11 determined that a Tribal licensing authority has established jurisdiction to license the program  
188.12 or service.

188.13 (m) The commissioner of human services may coordinate and share data with the  
188.14 commissioner of children, youth, and families to enforce this section.

188.15 Sec. 8. Minnesota Statutes 2024, section 245A.043, is amended by adding a subdivision  
188.16 to read:

188.17 Subd. 2a. **Review of change in ownership.** (a) After a change in ownership under  
188.18 subdivision 2, paragraph (a), the commissioner may complete a review for all new license  
188.19 holders within 12 months after the new license is issued.

188.20 (b) For all license holders subject to the exception in subdivision 2, paragraph (b), the  
188.21 license holder must notify the commissioner of the date of the change in controlling  
188.22 individuals pursuant to section 245A.04, subdivision 7a, and the commissioner may complete  
188.23 a review within 12 months following the change.

188.24 Sec. 9. Minnesota Statutes 2024, section 245A.05, is amended to read:

188.25 **245A.05 DENIAL OF APPLICATION.**

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

188.27 (1) fails to submit a substantially complete application after receiving notice from the

188.28 commissioner under section 245A.04, subdivision 1;

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

189.1 (3) knowingly withholds relevant information from or gives false or misleading

189.2 information to the commissioner in connection with an application for a license or during

189.3 an investigation;

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

189.5 variance has been granted;

189.6 (5) has an individual living in the household who received a background study under

189.7 section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that

189.8 has not been set aside under section 245C.22, and no variance has been granted;

189.9 (6) is associated with an individual who received a background study under section

189.10 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to

189.11 children or vulnerable adults, and who has a disqualification that has not been set aside

189.12 under section 245C.22, and no variance has been granted;

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

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

189.15 6;

189.16 (9) has a history of noncompliance as a license holder or controlling individual with

189.17 applicable laws or rules, including but not limited to this chapter and chapters 142E and

189.18 245C; ~~or~~

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

189.20 (11) is the subject of a pending administrative, civil, or criminal investigation.

189.21 (b) An applicant whose application has been denied by the commissioner must be given

189.22 notice of the denial, which must state the reasons for the denial in plain language. Notice

189.23 must be given by certified mail, by personal service, or through the provider licensing and

189.24 reporting hub. The notice must state the reasons the application was denied and must inform

189.25 the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules,

189.26 parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the

189.27 commissioner in writing by certified mail, by personal service, or through the provider

189.28 licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the

189.29 commissioner within 20 calendar days after the applicant received the notice of denial. If

418.6 Sec. 5. Minnesota Statutes 2024, section 245A.05, is amended to read:

418.7 **245A.05 DENIAL OF APPLICATION.**

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

418.9 (1) fails to submit a substantially complete application after receiving notice from the

418.10 commissioner under section 245A.04, subdivision 1;

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

418.12 (3) knowingly withholds relevant information from or gives false or misleading

418.13 information to the commissioner in connection with an application for a license or during

418.14 an investigation;

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

418.16 variance has been granted;

418.17 (5) has an individual living in the household who received a background study under

418.18 section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that

418.19 has not been set aside under section 245C.22, and no variance has been granted;

418.20 (6) is associated with an individual who received a background study under section

418.21 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to

418.22 children or vulnerable adults, and who has a disqualification that has not been set aside

418.23 under section 245C.22, and no variance has been granted;

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

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

418.26 6;

418.27 (9) has a history of noncompliance as a license holder or controlling individual with

418.28 applicable laws or rules, including but not limited to this chapter and chapters 142E and

418.29 245C; ~~or~~

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

419.1 (11) is the subject of a pending administrative, civil, or criminal investigation.

419.2 (b) An applicant whose application has been denied by the commissioner must be given

419.3 notice of the denial, which must state the reasons for the denial in plain language. Notice

419.4 must be given by certified mail, by personal service, or through the provider licensing and

419.5 reporting hub. The notice must state the reasons the application was denied and must inform

419.6 the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules,

419.7 parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the

419.8 commissioner in writing by certified mail, by personal service, or through the provider

419.9 licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the

419.10 commissioner within 20 calendar days after the applicant received the notice of denial. If

189.30 an appeal request is made by personal service, it must be received by the commissioner  
189.31 within 20 calendar days after the applicant received the notice of denial. If the order is issued  
189.32 through the provider hub, the appeal must be received by the commissioner within 20  
190.1 calendar days from the date the commissioner issued the order through the hub. Section  
190.2 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

190.3 Sec. 10. Minnesota Statutes 2024, section 245A.07, subdivision 2, is amended to read:

190.4 Subd. 2. **Temporary immediate suspension.** (a) The commissioner shall act immediately  
190.5 to temporarily suspend a license issued under this chapter if:

190.6 (1) the license holder's or controlling individual's actions or failure to comply with  
190.7 applicable law or rule, or the actions of other individuals or conditions in the program, pose  
190.8 an imminent risk of harm to the health, safety, or rights of persons served by the program;

190.9 (2) while the program continues to operate pending an appeal of an order of revocation,  
190.10 the commissioner identifies one or more subsequent violations of law or rule which may  
190.11 adversely affect the health or safety of persons served by the program; or

190.12 (3) the license holder or controlling individual is criminally charged in state or federal  
190.13 court with an offense that involves fraud or theft against a program administered by ~~the~~  
190.14 ~~commissioner~~ a state or federal agency.

190.15 (b) No state funds shall be made available or be expended by any agency or department  
190.16 of state, county, or municipal government for use by a license holder regulated under this  
190.17 chapter while a license issued under this chapter is under immediate suspension. A notice  
190.18 stating the reasons for the immediate suspension and informing the license holder of the  
190.19 right to an expedited hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to  
190.20 1400.8612, must be delivered by personal service to the address shown on the application  
190.21 or the last known address of the license holder. The license holder may appeal an order  
190.22 immediately suspending a license. The appeal of an order immediately suspending a license  
190.23 must be made in writing by certified mail, personal service, or other means expressly set  
190.24 forth in the commissioner's order. If mailed, the appeal must be postmarked and sent to the  
190.25 commissioner within five calendar days after the license holder receives notice that the  
190.26 license has been immediately suspended. If a request is made by personal service, it must  
190.27 be received by the commissioner within five calendar days after the license holder received  
190.28 the order. A license holder and any controlling individual shall discontinue operation of the  
190.29 program upon receipt of the commissioner's order to immediately suspend the license.

190.30 (c) The commissioner may act immediately to temporarily suspend a license issued  
190.31 under this chapter if the license holder or controlling individual is the subject of a pending  
190.32 administrative, civil, or criminal investigation or subject to an administrative or civil action  
190.33 related to fraud against a program administered by a state or federal agency.

419.11 an appeal request is made by personal service, it must be received by the commissioner  
419.12 within 20 calendar days after the applicant received the notice of denial. If the order is issued  
419.13 through the provider hub, the appeal must be received by the commissioner within 20  
419.14 calendar days from the date the commissioner issued the order through the hub. Section  
419.15 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

419.16 Sec. 6. Minnesota Statutes 2024, section 245A.07, subdivision 2, is amended to read:

419.17 Subd. 2. **Temporary immediate suspension.** (a) The commissioner shall act immediately  
419.18 to temporarily suspend a license issued under this chapter if:

419.19 (1) the license holder's or controlling individual's actions or failure to comply with  
419.20 applicable law or rule, or the actions of other individuals or conditions in the program, pose  
419.21 an imminent risk of harm to the health, safety, or rights of persons served by the program;

419.22 (2) while the program continues to operate pending an appeal of an order of revocation,  
419.23 the commissioner identifies one or more subsequent violations of law or rule which may  
419.24 adversely affect the health or safety of persons served by the program; or

419.25 (3) the license holder or controlling individual is criminally charged in state or federal  
419.26 court with an offense that involves fraud or theft against a program administered by ~~the~~  
419.27 ~~commissioner~~ a state or federal agency.

419.28 (b) No state funds shall be made available or be expended by any agency or department  
419.29 of state, county, or municipal government for use by a license holder regulated under this  
419.30 chapter while a license issued under this chapter is under immediate suspension. A notice  
419.31 stating the reasons for the immediate suspension and informing the license holder of the  
419.32 right to an expedited hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to  
419.33 1400.8612, must be delivered by personal service to the address shown on the application  
420.1 or the last known address of the license holder. The license holder may appeal an order  
420.2 immediately suspending a license. The appeal of an order immediately suspending a license  
420.3 must be made in writing by certified mail, personal service, or other means expressly set  
420.4 forth in the commissioner's order. If mailed, the appeal must be postmarked and sent to the  
420.5 commissioner within five calendar days after the license holder receives notice that the  
420.6 license has been immediately suspended. If a request is made by personal service, it must  
420.7 be received by the commissioner within five calendar days after the license holder received  
420.8 the order. A license holder and any controlling individual shall discontinue operation of the  
420.9 program upon receipt of the commissioner's order to immediately suspend the license.

420.10 (c) The commissioner may act immediately to temporarily suspend a license issued  
420.11 under this chapter if the license holder or controlling individual is the subject of a pending  
420.12 administrative, civil, or criminal investigation or subject to an administrative or civil action  
420.13 related to fraud against a program administered by a state or federal agency.



191.1 Sec. 11. Minnesota Statutes 2024, section 245A.10, subdivision 2, is amended to read:

191.2 Subd. 2. **County fees for applications and licensing inspections.** (a) For purposes of  
191.3 adult foster care and child foster residence setting licensing, family adult day services,  
191.4 family adult foster care, and licensing the physical plant of a community residential setting  
191.5 or residential services facility, under this chapter, a county agency may charge a fee to a  
191.6 corporate applicant or corporate license holder to recover the actual cost of licensing  
191.7 inspections, not to exceed \$500 \$2,100 annually. Of this amount, 50 percent must be allocated  
191.8 to the county agency and 50 percent must be deposited as required under subdivision 8.

191.9 (b) Counties may elect to reduce or waive the fees in paragraph (a) under the following  
191.10 circumstances:

191.11 (1) in cases of financial hardship;

191.12 (2) if the county has a shortage of providers in the county's area; or

191.13 (3) for new providers.

191.14 Sec. 12. Minnesota Statutes 2024, section 245A.10, subdivision 3, is amended to read:

191.15 Subd. 3. **Application fee for initial license or certification.** (a) Except as provided in  
191.16 paragraph (d), for fees required under subdivision 1, an applicant for an initial license or  
191.17 certification issued by the commissioner shall submit a \$500 \$2,100 application fee with  
191.18 each new application required under this subdivision. An applicant for an initial day services  
191.19 facility license under chapter 245D shall submit a \$250 application fee with each new  
191.20 application. A new application fee must be submitted for each new license holder on the  
191.21 license when a partial change of ownership occurs. The application fee shall not be prorated,  
191.22 is nonrefundable, and is in lieu of the annual license or certification fee that expires on  
191.23 December 31. The commissioner shall not process an application until the application fee  
191.24 is paid.

191.25 (b) Except as provided in paragraph (c), an applicant shall apply for a license to provide  
191.26 services at a specific location.

191.27 (c) For a license to provide home and community-based services to persons with  
191.28 disabilities or age 65 and older under chapter 245D, an applicant shall submit an application  
191.29 to provide services statewide.

191.30 (d) For fees required under subdivision 1, an applicant for an initial license or certification  
191.31 issued by the commissioner for children's residential facility or mental health clinic licensure  
192.1 or certification shall submit a \$500 application fee with each new application required under  
192.2 this subdivision.

192.3 Sec. 13. Minnesota Statutes 2024, section 245A.10, subdivision 4, is amended to read:

192.4 Subd. 4. **License or certification fee for certain programs.** (a)(1) A program licensed  
192.5 to provide one or more of the home and community-based services and supports identified

192.6 under chapter 245D to persons with disabilities or age 65 and older, shall pay an annual  
192.7 nonrefundable license fee based on revenues derived from the provision of services that  
192.8 would require licensure under chapter 245D during the calendar year immediately preceding  
192.9 the year in which the license fee is paid, according to the following schedule:

192.10	License Holder Annual Revenue	License Fee
192.11		<del>\$200</del>
192.12	less than or equal to \$10,000	<u>\$250</u>
192.13	greater than \$10,000 but less than or	<del>\$300</del>
192.14	equal to \$25,000	<u>\$375</u>
192.15	greater than \$25,000 but less than or	<del>\$400</del>
192.16	equal to \$50,000	<u>\$500</u>
192.17	greater than \$50,000 but less than or	<del>\$500</del>
192.18	equal to \$100,000	<u>\$625</u>
192.19	greater than \$100,000 but less than or	<del>\$600</del>
192.20	equal to \$150,000	<u>\$750</u>
192.21	greater than \$150,000 but less than or	<del>\$800</del>
192.22	equal to \$200,000	<u>\$1,000</u>
192.23	greater than \$200,000 but less than or	<del>\$1,000</del>
192.24	equal to \$250,000	<u>\$1,250</u>
192.25	greater than \$250,000 but less than or	<del>\$1,200</del>
192.26	equal to \$300,000	<u>\$1,500</u>
192.27	greater than \$300,000 but less than or	<del>\$1,400</del>
192.28	equal to \$350,000	<u>\$1,750</u>
192.29	greater than \$350,000 but less than or	<del>\$1,600</del>
192.30	equal to \$400,000	<u>\$2,000</u>
192.31	greater than \$400,000 but less than or	<del>\$1,800</del>
192.32	equal to \$450,000	<u>\$2,250</u>
192.33	greater than \$450,000 but less than or	<del>\$2,000</del>
192.34	equal to \$500,000	<u>\$2,500</u>
192.35	greater than \$500,000 but less than or	<del>\$2,250</del>
192.36	equal to \$600,000	<u>\$2,850</u>

192.37	greater than \$600,000 but less than or	<del>\$2,500</del>
192.38	equal to \$700,000	<u>\$3,200</u>
192.39	greater than \$700,000 but less than or	<del>\$2,750</del>
192.40	equal to \$800,000	<u>\$3,600</u>
193.1	greater than \$800,000 but less than or	<del>\$3,000</del>
193.2	equal to \$900,000	<u>\$3,900</u>
193.3	greater than \$900,000 but less than or	<del>\$3,250</del>
193.4	equal to \$1,000,000	<u>\$4,250</u>
193.5	greater than \$1,000,000 but less than or	<del>\$3,500</del>
193.6	equal to \$1,250,000	<u>\$4,550</u>
193.7	greater than \$1,250,000 but less than or	<del>\$3,750</del>
193.8	equal to \$1,500,000	<u>\$4,900</u>
193.9	greater than \$1,500,000 but less than or	<del>\$4,000</del>
193.10	equal to \$1,750,000	<u>\$5,200</u>
193.11	greater than \$1,750,000 but less than or	<del>\$4,250</del>
193.12	equal to \$2,000,000	<u>\$5,500</u>
193.13	greater than \$2,000,000 but less than or	<del>\$4,500</del>
193.14	equal to \$2,500,000	<u>\$5,900</u>
193.15	greater than \$2,500,000 but less than or	<del>\$4,750</del>
193.16	equal to \$3,000,000	<u>\$6,200</u>
193.17	greater than \$3,000,000 but less than or	<del>\$5,000</del>
193.18	equal to \$3,500,000	<u>\$6,500</u>
193.19	greater than \$3,500,000 but less than or	<del>\$5,500</del>
193.20	equal to \$4,000,000	<u>\$7,200</u>
193.21	greater than \$4,000,000 but less than or	<del>\$6,000</del>
193.22	equal to \$4,500,000	<u>\$7,800</u>
193.23	greater than \$4,500,000 but less than or	<del>\$6,500</del>
193.24	equal to \$5,000,000	<u>\$9,000</u>
193.25	greater than \$5,000,000 but less than or	<del>\$7,000</del>
193.26	equal to \$7,500,000	<u>\$10,000</u>

193.27	<del>greater than \$7,500,000 but less than or</del>	<del>\$8,500</del>
193.28	<del>equal to \$10,000,000</del>	<del>\$14,000</del>
193.29	<del>greater than \$10,000,000 but less than or</del>	<del>\$10,000</del>
193.30	<del>equal to \$12,500,000</del>	<del>\$18,000</del>
193.31	<del>greater than \$12,500,000 but less than or</del>	<del>\$14,000</del>
193.32	<del>equal to \$15,000,000</del>	<del>\$25,000</del>
193.33	<del>greater than \$15,000,000 but less than or</del>	<del>\$18,000</del>
193.34	<del>equal to \$17,500,000</del>	<del>\$28,000</del>
193.35	<del>greater than \$17,500,000 but less than</del>	
193.36	<del>\$20,000,000</del>	<del>\$32,000</del>
193.37	<del>greater than \$20,000,000 but less than</del>	
193.38	<del>\$25,000,000</del>	<del>\$36,000</del>
193.39	<del>greater than \$25,000,000 but less than</del>	
193.40	<del>\$30,000,000</del>	<del>\$45,000</del>
193.41	<del>greater than \$30,000,000 but less than</del>	
193.42	<del>\$35,000,000</del>	<del>\$55,000</del>
193.43	<del>greater than \$35,000,000</del>	<del>\$75,000</del>
194.1	(2) If requested, the license holder shall provide the commissioner information to verify	
194.2	the license holder's annual revenues or other information as needed, including copies of	
194.3	documents submitted to the Department of Revenue.	
194.4	(3) At each annual renewal, a license holder may elect to pay the highest renewal fee,	
194.5	and not provide annual revenue information to the commissioner.	
194.6	(4) A license holder that knowingly provides the commissioner incorrect revenue amounts	
194.7	for the purpose of paying a lower license fee shall be subject to a civil penalty in the amount	
194.8	of double the fee the provider should have paid.	
194.9	(b) A residential substance use disorder treatment program licensed under chapter 245G,	
194.10	to provide substance use disorder treatment shall pay an annual nonrefundable license fee	
194.11	based on the following schedule:	
194.12	Licensed Capacity	License Fee
194.13		<del>\$600</del>
194.14	1 to 24 persons	<del>\$2,600</del>

194.15		<del>\$800</del>
194.16	25 to 49 persons	<u>\$3,000</u>
194.17		<del>\$1,000</del>
194.18	50 to 74 persons	<u>\$5,000</u>
194.19		<del>\$1,200</del>
194.20	75 to 99 persons	<u>\$10,000</u>
194.21		<del>\$1,400</del>
194.22	100 or more persons to 199 persons	<u>\$15,000</u>
194.23	200 or more persons	<u>\$20,000</u>
194.24	(c) A nonresidential substance use disorder treatment program licensed under chapter	
194.25	245G to provide substance use disorder treatment shall pay an annual nonrefundable license	
194.26	fee of \$2,600.	
194.27	<del>(e)</del> (d) A detoxification program licensed under Minnesota Rules, parts 9530.6510 to	
194.28	9530.6590, or a withdrawal management program licensed under chapter 245F shall pay	
194.29	an annual nonrefundable license fee based on the following schedule:	
194.30	Licensed Capacity	License Fee
194.31		<del>\$760</del>
194.32	1 to 24 persons	<u>\$2,600</u>
194.33		<del>\$960</del>
194.34	25 to 49 persons	<u>\$3,000</u>
194.35		<del>\$1,160</del>
194.36	50 or more persons	<u>\$5,000</u>
195.1	A detoxification program that also operates a withdrawal management program at the same	
195.2	location shall only pay one fee based upon the licensed capacity of the program with the	
195.3	higher overall capacity.	
195.4	<del>(e)</del> (e) A children's residential facility licensed under Minnesota Rules, chapter 2960,	
195.5	to serve children shall pay an annual nonrefundable license fee based on the following	
195.6	schedule:	
195.7	Licensed Capacity	License Fee
195.8	1 to 24 persons	<u>\$1,000</u>
195.9	25 to 49 persons	<u>\$1,100</u>

195.10	50 to 74 persons	\$1,200
195.11	75 to 99 persons	\$1,300
195.12	100 or more persons	\$1,400
195.13	<del>(e)</del> (f) A residential facility licensed under section 245I.23 or Minnesota Rules, parts	
195.14	9520.0500 to 9520.0670, to serve persons with mental illness shall pay an annual	
195.15	nonrefundable license fee based on the following schedule:	

195.16	Licensed Capacity	License Fee
195.17		<del>\$2,525</del>
195.18	1 to 24 persons	\$2,600
195.19		<del>\$2,725</del>
195.20	25 <del>or more persons</del> to 49 persons	\$3,000
195.21	50 or more persons	\$20,000

195.22	<del>(f)</del> (g) A residential facility licensed under Minnesota Rules, parts 9570.2000 to	
195.23	9570.3400, to serve persons with physical disabilities shall pay an annual nonrefundable	
195.24	license fee based on the following schedule:	

195.25	Licensed Capacity	License Fee
195.26	1 to 24 persons	\$450
195.27	25 to 49 persons	\$650
195.28	50 to 74 persons	\$850
195.29	75 to 99 persons	\$1,050
195.30	100 or more persons	\$1,250

195.31	<del>(g)</del> (h) A program licensed as an adult day care center licensed under Minnesota Rules,	
195.32	parts 9555.9600 to 9555.9730, shall pay an annual nonrefundable license fee based on the	
195.33	following schedule:	

195.34	Licensed Capacity	License Fee
195.35	1 to 24 persons	\$500
196.1	25 to 49 persons	\$700

196.2           50 to 74 persons                               \$900

196.3           75 to 99 persons                               \$1,100

196.4           100 or more persons                           \$1,300

196.5           ~~(h)~~ (i) A program licensed to provide treatment services to persons with sexual

196.6           psychopathic personalities or sexually dangerous persons under Minnesota Rules, parts

196.7           9515.3000 to 9515.3110, shall pay an annual nonrefundable license fee of \$20,000.

196.8           ~~(i)~~ (j) A mental health clinic certified under section 245I.20 shall pay an annual

196.9           nonrefundable certification fee of \$1,550. If the mental health clinic provides services at a

196.10          primary location with satellite facilities, the satellite facilities shall be certified with the

196.11          primary location without an additional charge.

196.12          (k) If a program subject to annual fees under paragraph (b), (c), (d), or (f) provides

196.13          services at a primary location with satellite facilities, the satellite facilities shall be licensed

196.14          with the primary location and shall be subject to an additional \$500 annual nonrefundable

196.15          license fee per satellite facility.

196.16          Sec. 14. Minnesota Statutes 2024, section 245A.10, subdivision 8, is amended to read:

196.17                Subd. 8. **Deposit of license fees.** A human services licensing and program integrity

196.18                account is created in the state government special revenue fund. Fees collected under

196.19                subdivisions 3 and 4 must be deposited in the human services licensing and program integrity

196.20                account and are annually appropriated to the commissioner for licensing activities authorized

196.21                under this chapter and program integrity activities.

196.22          Sec. 15. Minnesota Statutes 2024, section 254B.06, is amended by adding a subdivision

196.23          to read:

196.24                Subd. 5. **Prohibition of duplicative claim submission.** (a) For time-based claims,

196.25                submissions must follow the guidelines in the Centers for Medicare and Medicaid Services'

196.26                Healthcare Common Procedure Coding System and the American Medical Association's

196.27                Current Procedural Terminology to determine the appropriate units of time to report.

196.28                (b) More than half the duration of a time-based code must be spent performing the service

196.29                to be eligible under this section. Any provision of service during the remaining balance of

196.30                the unit of time is not eligible for any other claims submission and would be considered a

196.31                duplicative claim submission.

197.1                (c) A provider may only round up to the next whole number of service units on a

197.2                submitted claim when more than one and one-half times the defined value of the code has

197.3                occurred and no additional time increment code exists.

197.4                **EFFECTIVE DATE.** This section is effective July 1, 2025.

420.14          Sec. 7. Minnesota Statutes 2024, section 254B.06, is amended by adding a subdivision to

420.15          read:

420.16                Subd. 5. **Prohibition of duplicative claim submission.** (a) For time-based claims,

420.17                submissions must follow the guidelines in the Centers for Medicare and Medicaid Services'

420.18                Healthcare Common Procedure Coding System and the American Medical Association's

420.19                Current Procedural Terminology to determine the appropriate units of time to report.

420.20                (b) More than half the duration of a time-based code must be spent performing the service

420.21                to be eligible under this section. Any provision of service during the remaining balance of

420.22                the unit of time is not eligible for any other claims submission and would be considered a

420.23                duplicative claim submission.

420.24                (c) A provider may only round up to the next whole number of service units on a

420.25                submitted claim when more than one and one-half times the defined value of the code has

420.26                occurred and no additional time increment code exists.

420.27                **EFFECTIVE DATE.** This section is effective July 1, 2025.

H2434-3 ART 6 SEC 15 ALSO MATCHES WITH UEH2434-1 ART 4, SEC 24, BELOW.

197.5       Sec. 16. Minnesota Statutes 2024, section 256.983, subdivision 4, is amended to read:

197.6           Subd. 4. **Funding.** (a) County and Tribal agency reimbursement shall be made through

197.7 the settlement provisions applicable to the Supplemental Nutrition Assistance Program

197.8 (SNAP), MFIP, child care assistance programs, the medical assistance program, and other

197.9 federal and state-funded programs.

197.10       (b) The commissioners will maintain program compliance if for any ~~three consecutive~~

197.11 ~~month period~~ quarter, a county or Tribal agency fails to comply with fraud prevention

197.12 investigation program guidelines, or fails to meet the cost-effectiveness standards developed

197.13 by the commissioners. This result is contingent on the commissioners providing written

197.14 notice, including an offer of technical assistance, within 30 days of the end of the ~~third or~~

197.15 ~~subsequent month~~ quarter of noncompliance. The county or Tribal agency shall be required

197.16 to submit a corrective action plan to the commissioners within 30 days of receipt of a notice

197.17 of noncompliance. Failure to submit a corrective action plan or, continued deviation from

197.18 standards of more than ten percent after submission of a corrective action plan, will result

197.19 in denial of funding for each subsequent month, or billing the county or Tribal agency for

197.20 fraud prevention investigation (FPI) service provided by the commissioners, or reallocation

197.21 of program grant funds, or investigative resources, or both, to other counties or Tribal

197.22 agencies. The denial of funding shall apply to the general settlement received by the county

197.23 or Tribal agency on a quarterly basis and shall not reduce the grant amount applicable to

197.24 the FPI project.

197.25       **EFFECTIVE DATE.** This section is effective July 1, 2025.

171.24       Sec. 24. Minnesota Statutes 2024, section 254B.06, is amended by adding a subdivision

171.25 to read:

171.26           Subd. 5. **Prohibition of duplicative claim submission.** (a) For time-based claims,

171.27 submissions must follow the guidelines in the Centers for Medicare and Medicaid Services'

171.28 Healthcare Common Procedure Coding System and the American Medical Association's

171.29 Current Procedural Terminology to determine the appropriate units of time to report.

171.30           (b) More than half the duration of a time-based code must be spent performing the service

171.31 to be eligible under this section. Any provision of service during the remaining balance of

172.1 the unit of time is not eligible for any other claims submission and would be considered a

172.2 duplicative claim submission.

172.3           (c) A provider may only round up to the next whole number of service units on a

172.4 submitted claim when more than one and one-half times the defined value of the code has

172.5 occurred and no additional time increment code exists.

172.6       **EFFECTIVE DATE.** This section is effective July 1, 2025.

420.28       Sec. 8. Minnesota Statutes 2024, section 256.983, subdivision 4, is amended to read:

420.29           Subd. 4. **Funding.** (a) County and Tribal agency reimbursement shall be made through

420.30 the settlement provisions applicable to the Supplemental Nutrition Assistance Program

420.31 (SNAP), MFIP, child care assistance programs, the medical assistance program, and other

420.32 federal and state-funded programs.

421.1       (b) The commissioners will maintain program compliance if for any ~~three consecutive~~

421.2 ~~month period~~ quarter, a county or Tribal agency fails to comply with fraud prevention

421.3 investigation program guidelines, or fails to meet the cost-effectiveness standards developed

421.4 by the commissioners. This result is contingent on the commissioners providing written

421.5 notice, including an offer of technical assistance, within 30 days of the end of the ~~third or~~

421.6 ~~subsequent month~~ quarter of noncompliance. The county or Tribal agency shall be required

421.7 to submit a corrective action plan to the commissioners within 30 days of receipt of a notice

421.8 of noncompliance. Failure to submit a corrective action plan or, continued deviation from

421.9 standards of more than ten percent after submission of a corrective action plan, will result

421.10 in denial of funding for each subsequent month, or billing the county or Tribal agency for

421.11 fraud prevention investigation (FPI) service provided by the commissioners, or reallocation

421.12 of program grant funds, or investigative resources, or both, to other counties or Tribal

421.13 agencies. The denial of funding shall apply to the general settlement received by the county

421.14 or Tribal agency on a quarterly basis and shall not reduce the grant amount applicable to

421.15 the FPI project.

421.16       **EFFECTIVE DATE.** This section is effective July 1, 2025.



421.17 Sec. 9. Minnesota Statutes 2024, section 256B.04, subdivision 21, is amended to read:

421.18 Subd. 21. **Provider enrollment.** (a) The commissioner shall enroll providers and conduct

421.19 screening activities as required by Code of Federal Regulations, title 42, section 455, subpart

421.20 E. A provider must enroll each provider-controlled location where direct services are

421.21 provided. The commissioner may deny a provider's incomplete application if a provider

421.22 fails to respond to the commissioner's request for additional information within 60 days of

421.23 the request. The commissioner must conduct a background study under chapter 245C,

421.24 including a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses

421.25 (1) to (5), for a provider described in this paragraph. The background study requirement

421.26 may be satisfied if the commissioner conducted a fingerprint-based background study on

421.27 the provider that includes a review of databases in section 245C.08, subdivision 1, paragraph

421.28 (a), clauses (1) to (5).

421.29 (b) The commissioner shall revalidate ~~each~~:

421.30 (1) ~~each~~ provider under this subdivision at least once every five years; ~~and~~

421.31 (2) ~~each~~ personal care assistance agency under this subdivision once every three years;

421.32 ~~and~~

422.1 (3) ~~at the commissioner's discretion, any other Medicaid-only provider type the~~

422.2 ~~commissioner deems "high risk" under this subdivision once every three years.~~

422.3 (c) The commissioner shall conduct revalidation as follows:

422.4 (1) provide 30-day notice of the revalidation due date including instructions for

422.5 revalidation and a list of materials the provider must submit;

422.6 (2) if a provider fails to submit all required materials by the due date, notify the provider

422.7 of the deficiency within 30 days after the due date and allow the provider an additional 30

422.8 days from the notification date to comply; and

422.9 (3) if a provider fails to remedy a deficiency within the 30-day time period, give 60-day

422.10 notice of termination and immediately suspend the provider's ability to bill. The provider

422.11 does not have the right to appeal suspension of ability to bill.

422.12 (d) If a provider fails to comply with any individual provider requirement or condition

422.13 of participation, the commissioner may suspend the provider's ability to bill until the provider

422.14 comes into compliance. The commissioner's decision to suspend the provider is not subject

422.15 to an administrative appeal.

422.16 (e) Correspondence and notifications, including notifications of termination and other

422.17 actions, may be delivered electronically to a provider's MN-ITS mailbox. This paragraph

422.18 does not apply to correspondences and notifications related to background studies.

422.19 (f) If the commissioner or the Centers for Medicare and Medicaid Services determines

422.20 that a provider is designated "high-risk," the commissioner may withhold payment from

422.21 providers within that category upon initial enrollment for a 90-day period. The withholding  
422.22 for each provider must begin on the date of the first submission of a claim.

422.23 (g) An enrolled provider that is also licensed by the commissioner under chapter 245A,  
422.24 is licensed as a home care provider by the Department of Health under chapter 144A, or is  
422.25 licensed as an assisted living facility under chapter 144G and has a home and  
422.26 community-based services designation on the home care license under section 144A.484,  
422.27 must designate an individual as the entity's compliance officer. The compliance officer  
422.28 must:

422.29 (1) develop policies and procedures to assure adherence to medical assistance laws and  
422.30 regulations and to prevent inappropriate claims submissions;

422.31 (2) train the employees of the provider entity, and any agents or subcontractors of the  
422.32 provider entity including billers, on the policies and procedures under clause (1);

423.1 (3) respond to allegations of improper conduct related to the provision or billing of  
423.2 medical assistance services, and implement action to remediate any resulting problems;

423.3 (4) use evaluation techniques to monitor compliance with medical assistance laws and  
423.4 regulations;

423.5 (5) promptly report to the commissioner any identified violations of medical assistance  
423.6 laws or regulations; and

423.7 (6) within 60 days of discovery by the provider of a medical assistance reimbursement  
423.8 overpayment, report the overpayment to the commissioner and make arrangements with  
423.9 the commissioner for the commissioner's recovery of the overpayment.

423.10 The commissioner may require, as a condition of enrollment in medical assistance, that a  
423.11 provider within a particular industry sector or category establish a compliance program that  
423.12 contains the core elements established by the Centers for Medicare and Medicaid Services.

423.13 (h) The commissioner may revoke the enrollment of an ordering or rendering provider  
423.14 for a period of not more than one year, if the provider fails to maintain and, upon request  
423.15 from the commissioner, provide access to documentation relating to written orders or requests  
423.16 for payment for durable medical equipment, certifications for home health services, or  
423.17 referrals for other items or services written or ordered by such provider, when the  
423.18 commissioner has identified a pattern of a lack of documentation. A pattern means a failure  
423.19 to maintain documentation or provide access to documentation on more than one occasion.  
423.20 Nothing in this paragraph limits the authority of the commissioner to sanction a provider  
423.21 under the provisions of section 256B.064.

423.22 (i) The commissioner shall terminate or deny the enrollment of any individual or entity  
423.23 if the individual or entity has been terminated from participation in Medicare or under the  
423.24 Medicaid program or Children's Health Insurance Program of any other state. The  
423.25 commissioner may exempt a rehabilitation agency from termination or denial that would  
423.26 otherwise be required under this paragraph, if the agency:

423.27 (1) is unable to retain Medicare certification and enrollment solely due to a lack of billing  
423.28 to the Medicare program;

423.29 (2) meets all other applicable Medicare certification requirements based on an on-site  
423.30 review completed by the commissioner of health; and

423.31 (3) serves primarily a pediatric population.

423.32 (j) As a condition of enrollment in medical assistance, the commissioner shall require  
423.33 that a provider designated "moderate" or "high-risk" by the Centers for Medicare and  
424.1 Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid  
424.2 Services, its agents, or its designated contractors and the state agency, its agents, or its  
424.3 designated contractors to conduct unannounced on-site inspections of any provider location.  
424.4 The commissioner shall publish in the Minnesota Health Care Program Provider Manual a  
424.5 list of provider types designated "limited," "moderate," or "high-risk," based on the criteria  
424.6 and standards used to designate Medicare providers in Code of Federal Regulations, title  
424.7 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14.  
424.8 The commissioner's designations are not subject to administrative appeal.

424.9 (k) As a condition of enrollment in medical assistance, the commissioner shall require  
424.10 that a high-risk provider, or a person with a direct or indirect ownership interest in the  
424.11 provider of five percent or higher, consent to criminal background checks, including  
424.12 fingerprinting, when required to do so under state law or by a determination by the  
424.13 commissioner or the Centers for Medicare and Medicaid Services that a provider is designated  
424.14 high-risk for fraud, waste, or abuse.

424.15 (l)(1) Upon initial enrollment, reenrollment, and notification of revalidation, all durable  
424.16 medical equipment, prosthetics, orthotics, and supplies (DMEPOS) medical suppliers  
424.17 meeting the durable medical equipment provider and supplier definition in clause (3),  
424.18 operating in Minnesota and receiving Medicaid funds must purchase a surety bond that is  
424.19 annually renewed and designates the Minnesota Department of Human Services as the  
424.20 obligee, and must be submitted in a form approved by the commissioner. For purposes of  
424.21 this clause, the following medical suppliers are not required to obtain a surety bond: a  
424.22 federally qualified health center, a home health agency, the Indian Health Service, a  
424.23 pharmacy, and a rural health clinic.

424.24 (2) At the time of initial enrollment or reenrollment, durable medical equipment providers  
424.25 and suppliers defined in clause (3) must purchase a surety bond of \$50,000. If a revalidating  
424.26 provider's Medicaid revenue in the previous calendar year is up to and including \$300,000,  
424.27 the provider agency must purchase a surety bond of \$50,000. If a revalidating provider's  
424.28 Medicaid revenue in the previous calendar year is over \$300,000, the provider agency must  
424.29 purchase a surety bond of \$100,000. The surety bond must allow for recovery of costs and  
424.30 fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions  
424.31 from a surety bond must occur within six years from the date the debt is affirmed by a final

197.26      Sec. 17. Minnesota Statutes 2024, section 256B.0659, subdivision 21, is amended to read:

197.27            Subd. 21. **Requirements for provider enrollment of personal care assistance provider**  
197.28 **agencies.** (a) All personal care assistance provider agencies must provide, at the time of  
197.29 enrollment, reenrollment, and revalidation as a personal care assistance provider agency in  
197.30 a format determined by the commissioner, information and documentation that includes,  
197.31 but is not limited to, the following:

198.1            (1) the personal care assistance provider agency's current contact information including  
198.2 address, telephone number, and email address;

198.3            (2) proof of surety bond coverage for each business location providing services. Upon  
198.4 new enrollment, or if the provider's Medicaid revenue in the previous calendar year is up  
198.5 to and including \$300,000, the provider agency must purchase a surety bond of \$50,000. If  
198.6 the Medicaid revenue in the previous year is over \$300,000, the provider agency must  
198.7 purchase a surety bond of \$100,000. The surety bond must be in a form approved by the  
198.8 commissioner, must be renewed annually, and must allow for recovery of costs and fees in  
198.9 pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a  
198.10 surety bond must occur within six years from the date the debt is affirmed by a final agency  
198.11 decision. An agency decision is final when the right to appeal the debt has been exhausted  
198.12 or the time to appeal has expired under section 256B.064;

198.13            (3) proof of fidelity bond coverage in the amount of \$20,000 for each business location  
198.14 providing service;

424.32 agency decision. An agency decision is final when the right to appeal the debt has been  
424.33 exhausted or the time to appeal has expired under section 256B.064.

424.34            (3) "Durable medical equipment provider or supplier" means a medical supplier that can  
424.35 purchase medical equipment or supplies for sale or rental to the general public and is able  
425.1 to perform or arrange for necessary repairs to and maintenance of equipment offered for  
425.2 sale or rental.

425.3            (m) The Department of Human Services may require a provider to purchase a surety  
425.4 bond as a condition of initial enrollment, reenrollment, reinstatement, or continued enrollment  
425.5 if: (1) the provider fails to demonstrate financial viability, (2) the department determines  
425.6 there is significant evidence of or potential for fraud and abuse by the provider, or (3) the  
425.7 provider or category of providers is designated high-risk pursuant to paragraph (f) and as  
425.8 per Code of Federal Regulations, title 42, section 455.450. The surety bond must be in an  
425.9 amount of \$100,000 or ten percent of the provider's payments from Medicaid during the  
425.10 immediately preceding 12 months, whichever is greater. The surety bond must name the  
425.11 Department of Human Services as an obligee and must allow for recovery of costs and fees  
425.12 in pursuing a claim on the bond. This paragraph does not apply if the provider currently  
425.13 maintains a surety bond under the requirements in section 256B.0659 or 256B.85.

425.14            **EFFECTIVE DATE.** This section is effective July 1, 2025.

425.15      Sec. 10. Minnesota Statutes 2024, section 256B.0659, subdivision 21, is amended to read:

425.16            Subd. 21. **Requirements for provider enrollment of personal care assistance provider**  
425.17 **agencies.** (a) All personal care assistance provider agencies must provide, at the time of  
425.18 enrollment, reenrollment, and revalidation as a personal care assistance provider agency in  
425.19 a format determined by the commissioner, information and documentation that includes,  
425.20 but is not limited to, the following:

425.21            (1) the personal care assistance provider agency's current contact information including  
425.22 address, telephone number, and email address;

425.23            (2) proof of surety bond coverage for each business location providing services. Upon  
425.24 new enrollment, or if the provider's Medicaid revenue in the previous calendar year is up  
425.25 to and including \$300,000, the provider agency must purchase a surety bond of \$50,000. If  
425.26 the Medicaid revenue in the previous year is over \$300,000, the provider agency must  
425.27 purchase a surety bond of \$100,000. The surety bond must be in a form approved by the  
425.28 commissioner, must be renewed annually, and must allow for recovery of costs and fees in  
425.29 pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a  
425.30 surety bond must occur within six years from the date the debt is affirmed by a final agency  
425.31 decision. An agency decision is final when the right to appeal the debt has been exhausted  
425.32 or the time to appeal has expired under section 256B.064;

426.1            (3) proof of fidelity bond coverage in the amount of \$20,000 for each business location  
426.2 providing service;

198.15 (4) proof of workers' compensation insurance coverage identifying the business location  
198.16 where personal care assistance services are provided;

198.17 (5) proof of liability insurance coverage identifying the business location where personal  
198.18 care assistance services are provided and naming the department as a certificate holder;

198.19 (6) a copy of the personal care assistance provider agency's written policies and  
198.20 procedures including: hiring of employees; training requirements; service delivery; and  
198.21 employee and consumer safety including process for notification and resolution of consumer  
198.22 grievances, identification and prevention of communicable diseases, and employee  
198.23 misconduct;

198.24 (7) copies of all other forms the personal care assistance provider agency uses in the  
198.25 course of daily business including, but not limited to:

198.26 (i) a copy of the personal care assistance provider agency's time sheet if the time sheet  
198.27 varies from the standard time sheet for personal care assistance services approved by the  
198.28 commissioner, and a letter requesting approval of the personal care assistance provider  
198.29 agency's nonstandard time sheet;

198.30 (ii) the personal care assistance provider agency's template for the personal care assistance  
198.31 care plan; and

198.32 (iii) the personal care assistance provider agency's template for the written agreement  
198.33 in subdivision 20 for recipients using the personal care assistance choice option, if applicable;

199.1 (8) a list of all training and classes that the personal care assistance provider agency  
199.2 requires of its staff providing personal care assistance services;

199.3 (9) documentation that the personal care assistance provider agency and staff have  
199.4 successfully completed all the training required by this section, including the requirements  
199.5 under subdivision 11, paragraph (d), if enhanced personal care assistance services are  
199.6 provided and submitted for an enhanced rate under subdivision 17a;

199.7 (10) documentation of the agency's marketing practices;

199.8 (11) disclosure of ownership, leasing, or management of all residential properties that  
199.9 is used or could be used for providing home care services;

199.10 (12) documentation that the agency will use the following percentages of revenue  
199.11 generated from the medical assistance rate paid for personal care assistance services for  
199.12 employee personal care assistant wages and benefits: 72.5 percent of revenue in the personal  
199.13 care assistance choice option and 72.5 percent of revenue from other personal care assistance  
199.14 providers. The revenue generated by the qualified professional and the reasonable costs  
199.15 associated with the qualified professional shall not be used in making this calculation; and

199.16 (13) effective May 15, 2010, documentation that the agency does not burden recipients'  
199.17 free exercise of their right to choose service providers by requiring personal care assistants

426.3 (4) proof of workers' compensation insurance coverage identifying the business location  
426.4 where personal care assistance services are provided;

426.5 (5) proof of liability insurance coverage identifying the business location where personal  
426.6 care assistance services are provided and naming the department as a certificate holder;

426.7 (6) a copy of the personal care assistance provider agency's written policies and  
426.8 procedures including: hiring of employees; training requirements; service delivery; and  
426.9 employee and consumer safety including process for notification and resolution of consumer  
426.10 grievances, identification and prevention of communicable diseases, and employee  
426.11 misconduct;

426.12 (7) copies of all other forms the personal care assistance provider agency uses in the  
426.13 course of daily business including, but not limited to:

426.14 (i) a copy of the personal care assistance provider agency's time sheet if the time sheet  
426.15 varies from the standard time sheet for personal care assistance services approved by the  
426.16 commissioner, and a letter requesting approval of the personal care assistance provider  
426.17 agency's nonstandard time sheet;

426.18 (ii) the personal care assistance provider agency's template for the personal care assistance  
426.19 care plan; and

426.20 (iii) the personal care assistance provider agency's template for the written agreement  
426.21 in subdivision 20 for recipients using the personal care assistance choice option, if applicable;

426.22 (8) a list of all training and classes that the personal care assistance provider agency  
426.23 requires of its staff providing personal care assistance services;

426.24 (9) documentation that the personal care assistance provider agency and staff have  
426.25 successfully completed all the training required by this section, including the requirements  
426.26 under subdivision 11, paragraph (d), if enhanced personal care assistance services are  
426.27 provided and submitted for an enhanced rate under subdivision 17a;

426.28 (10) documentation of the agency's marketing practices;

426.29 (11) disclosure of ownership, leasing, or management of all residential properties that  
426.30 is used or could be used for providing home care services;

426.31 (12) documentation that the agency will use the following percentages of revenue  
426.32 generated from the medical assistance rate paid for personal care assistance services for  
427.1 employee personal care assistant wages and benefits: 72.5 percent of revenue in the personal  
427.2 care assistance choice option and 72.5 percent of revenue from other personal care assistance  
427.3 providers. The revenue generated by the qualified professional and the reasonable costs  
427.4 associated with the qualified professional shall not be used in making this calculation; and

427.5 (13) effective May 15, 2010, documentation that the agency does not burden recipients'  
427.6 free exercise of their right to choose service providers by requiring personal care assistants

199.18 to sign an agreement not to work with any particular personal care assistance recipient or  
199.19 for another personal care assistance provider agency after leaving the agency and that the  
199.20 agency is not taking action on any such agreements or requirements regardless of the date  
199.21 signed.

199.22 (b) Personal care assistance provider agencies shall provide the information specified  
199.23 in paragraph (a) to the commissioner at the time the personal care assistance provider agency  
199.24 enrolls as a vendor or upon request from the commissioner. The commissioner shall collect  
199.25 the information specified in paragraph (a) from all personal care assistance providers  
199.26 beginning July 1, 2009.

199.27 (c) All personal care assistance provider agencies shall require all employees in  
199.28 management and supervisory positions and owners of the agency who are active in the  
199.29 day-to-day management and operations of the agency to complete mandatory training as  
199.30 determined by the commissioner before submitting an application for enrollment of the  
199.31 agency as a provider. All personal care assistance provider agencies shall also require  
199.32 qualified professionals to complete the training required by subdivision 13 before submitting  
199.33 an application for enrollment of the agency as a provider. Employees in management and  
199.34 supervisory positions and owners who are active in the day-to-day operations of an agency  
200.1 who have completed the required training as an employee with a personal care assistance  
200.2 provider agency do not need to repeat the required training if they are hired by another  
200.3 agency, if they have completed the training within the past three years. By September 1,  
200.4 2010, the required training must be available with meaningful access according to title VI  
200.5 of the Civil Rights Act and federal regulations adopted under that law or any guidance from  
200.6 the United States Health and Human Services Department. The required training must be  
200.7 available online or by electronic remote connection. The required training must provide for  
200.8 competency testing. Personal care assistance provider agency billing staff shall complete  
200.9 training about personal care assistance program financial management. This training is  
200.10 effective July 1, 2009. Any personal care assistance provider agency enrolled before that  
200.11 date shall, if it has not already, complete the provider training within 18 months of July 1,  
200.12 2009. Any new owners or employees in management and supervisory positions involved  
200.13 in the day-to-day operations are required to complete mandatory training as a requisite of  
200.14 working for the agency. Personal care assistance provider agencies certified for participation  
200.15 in Medicare as home health agencies are exempt from the training required in this  
200.16 subdivision. When available, Medicare-certified home health agency owners, supervisors,  
200.17 or managers must successfully complete the competency test.

200.18 (d) All surety bonds, fidelity bonds, workers' compensation insurance, and liability  
200.19 insurance required by this subdivision must be maintained continuously. After initial  
200.20 enrollment, a provider must submit proof of bonds and required coverages at any time at  
200.21 the request of the commissioner. Services provided while there are lapses in coverage are  
200.22 not eligible for payment. Lapses in coverage may result in sanctions, including termination.  
200.23 The commissioner shall send instructions and a due date to submit the requested information  
200.24 to the personal care assistance provider agency.

427.7 to sign an agreement not to work with any particular personal care assistance recipient or  
427.8 for another personal care assistance provider agency after leaving the agency and that the  
427.9 agency is not taking action on any such agreements or requirements regardless of the date  
427.10 signed.

427.11 (b) Personal care assistance provider agencies shall provide the information specified  
427.12 in paragraph (a) to the commissioner at the time the personal care assistance provider agency  
427.13 enrolls as a vendor or upon request from the commissioner. The commissioner shall collect  
427.14 the information specified in paragraph (a) from all personal care assistance providers  
427.15 beginning July 1, 2009.

427.16 (c) All personal care assistance provider agencies shall require all employees in  
427.17 management and supervisory positions and owners of the agency who are active in the  
427.18 day-to-day management and operations of the agency to complete mandatory training as  
427.19 determined by the commissioner before submitting an application for enrollment of the  
427.20 agency as a provider. All personal care assistance provider agencies shall also require  
427.21 qualified professionals to complete the training required by subdivision 13 before submitting  
427.22 an application for enrollment of the agency as a provider. Employees in management and  
427.23 supervisory positions and owners who are active in the day-to-day operations of an agency  
427.24 who have completed the required training as an employee with a personal care assistance  
427.25 provider agency do not need to repeat the required training if they are hired by another  
427.26 agency, if they have completed the training within the past three years. By September 1,  
427.27 2010, the required training must be available with meaningful access according to title VI  
427.28 of the Civil Rights Act and federal regulations adopted under that law or any guidance from  
427.29 the United States Health and Human Services Department. The required training must be  
427.30 available online or by electronic remote connection. The required training must provide for  
427.31 competency testing. Personal care assistance provider agency billing staff shall complete  
427.32 training about personal care assistance program financial management. This training is  
427.33 effective July 1, 2009. Any personal care assistance provider agency enrolled before that  
427.34 date shall, if it has not already, complete the provider training within 18 months of July 1,  
427.35 2009. Any new owners or employees in management and supervisory positions involved  
428.1 in the day-to-day operations are required to complete mandatory training as a requisite of  
428.2 working for the agency. Personal care assistance provider agencies certified for participation  
428.3 in Medicare as home health agencies are exempt from the training required in this  
428.4 subdivision. When available, Medicare-certified home health agency owners, supervisors,  
428.5 or managers must successfully complete the competency test.

428.6 (d) All surety bonds, fidelity bonds, workers' compensation insurance, and liability  
428.7 insurance required by this subdivision must be maintained continuously. After initial  
428.8 enrollment, a provider must submit proof of bonds and required coverages at any time at  
428.9 the request of the commissioner. Services provided while there are lapses in coverage are  
428.10 not eligible for payment. Lapses in coverage may result in sanctions, including termination.  
428.11 The commissioner shall send instructions and a due date to submit the requested information  
428.12 to the personal care assistance provider agency.

200.25 **EFFECTIVE DATE.** This section is effective July 1, 2025.

200.26 Sec. 18. Minnesota Statutes 2024, section 256B.0949, subdivision 16a, is amended to  
200.27 read:

200.28 Subd. 16a. **Background studies.** An early intensive developmental and behavioral  
200.29 intervention services agency must fulfill any background studies requirements under this  
200.30 section by initiating a background study through the commissioner's NETStudy 2.0 system  
200.31 as provided under sections 245C.03, subdivision 15, and 245C.10, subdivision 17 chapter  
200.32 245C and must maintain documentation of background study requests and results.

201.1 Sec. 19. Minnesota Statutes 2024, section 256B.4912, subdivision 1, is amended to read:

201.2 Subdivision 1. **Provider qualifications.** (a) For the home and community-based waivers  
201.3 providing services to seniors and individuals with disabilities under chapter 256S and  
201.4 sections 256B.0913, 256B.092, and 256B.49, the commissioner shall establish:

201.5 (1) agreements with enrolled waiver service providers to ensure providers meet Minnesota  
201.6 health care program requirements;

201.7 (2) regular reviews of provider qualifications, and including requests of proof of  
201.8 documentation; and

201.9 (3) processes to gather the necessary information to determine provider qualifications.

201.10 (b) A provider shall not require or coerce any service recipient to change waiver programs  
201.11 or move to a different location, consistent with the informed choice and independent living  
201.12 policies under section 256B.4905, subdivisions 1a, 2a, 3a, 7, and 8.

201.13 (c) ~~Beginning July 1, 2012,~~ For staff that provide direct contact, as defined in section  
201.14 245C.02, subdivision 11, for services specified in the federally approved waiver plans,  
201.15 ~~providers must meet the requirements of chapter 245C prior to providing waiver services~~  
201.16 ~~and as part of ongoing enrollment. Upon federal approval,~~ and maintain documentation of  
201.17 background study requests and results. This requirement ~~must also apply~~ applies to  
201.18 consumer-directed community supports.

201.19 (d) ~~Beginning January 1, 2014,~~ Service owners and managerial officials overseeing the  
201.20 management or policies of services that provide direct contact as specified in the federally  
201.21 approved waiver plans must meet the requirements of chapter 245C prior to reenrollment  
201.22 or revalidation or, for new providers, prior to initial enrollment if they have not already  
201.23 done so as a part of service licensure requirements.

201.24 Sec. 20. Minnesota Statutes 2024, section 256B.85, subdivision 12, is amended to read:

201.25 Subd. 12. **Requirements for enrollment of CFSS agency-providers.** (a) All CFSS  
201.26 agency-providers must provide, at the time of enrollment, reenrollment, and revalidation  
201.27 as a CFSS agency-provider in a format determined by the commissioner, information and  
201.28 documentation that includes but is not limited to the following:

428.13 **EFFECTIVE DATE.** This section is effective July 1, 2025.

428.14 Sec. 11. Minnesota Statutes 2024, section 256B.85, subdivision 12, is amended to read:

428.15 Subd. 12. **Requirements for enrollment of CFSS agency-providers.** (a) All CFSS  
428.16 agency-providers must provide, at the time of enrollment, reenrollment, and revalidation  
428.17 as a CFSS agency-provider in a format determined by the commissioner, information and  
428.18 documentation that includes but is not limited to the following:

201.29 (1) the CFSS agency-provider's current contact information including address, telephone  
201.30 number, and email address;

201.31 (2) proof of surety bond coverage. Upon new enrollment, or if the agency-provider's  
201.32 Medicaid revenue in the previous calendar year is less than or equal to \$300,000, the  
202.1 agency-provider must purchase a surety bond of \$50,000. If the agency-provider's Medicaid  
202.2 revenue in the previous calendar year is greater than \$300,000, the agency-provider must  
202.3 purchase a surety bond of \$100,000. The surety bond must be in a form approved by the  
202.4 commissioner, must be renewed annually, and must allow for recovery of costs and fees in  
202.5 pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a  
202.6 surety bond must occur within six years from the date the debt is affirmed by a final agency  
202.7 decision. An agency decision is final when the right to appeal the debt has been exhausted  
202.8 or the time to appeal has expired under section 256B.064;

202.9 (3) proof of fidelity bond coverage in the amount of \$20,000 per provider location;

202.10 (4) proof of workers' compensation insurance coverage;

202.11 (5) proof of liability insurance;

202.12 (6) a copy of the CFSS agency-provider's organizational chart identifying the names  
202.13 and roles of all owners, managing employees, staff, board of directors, and additional  
202.14 documentation reporting any affiliations of the directors and owners to other service  
202.15 providers;

202.16 (7) proof that the CFSS agency-provider has written policies and procedures including:  
202.17 hiring of employees; training requirements; service delivery; and employee and consumer  
202.18 safety, including the process for notification and resolution of participant grievances, incident  
202.19 response, identification and prevention of communicable diseases, and employee misconduct;

202.20 (8) proof that the CFSS agency-provider has all of the following forms and documents:

202.21 (i) a copy of the CFSS agency-provider's time sheet; and

202.22 (ii) a copy of the participant's individual CFSS service delivery plan;

202.23 (9) a list of all training and classes that the CFSS agency-provider requires of its staff  
202.24 providing CFSS services;

202.25 (10) documentation that the CFSS agency-provider and staff have successfully completed  
202.26 all the training required by this section;

202.27 (11) documentation of the agency-provider's marketing practices;

202.28 (12) disclosure of ownership, leasing, or management of all residential properties that  
202.29 are used or could be used for providing home care services;

202.30 (13) documentation that the agency-provider will use at least the following percentages  
202.31 of revenue generated from the medical assistance rate paid for CFSS services for CFSS

428.19 (1) the CFSS agency-provider's current contact information including address, telephone  
428.20 number, and email address;

428.21 (2) proof of surety bond coverage. Upon new enrollment, or if the agency-provider's  
428.22 Medicaid revenue in the previous calendar year is less than or equal to \$300,000, the  
428.23 agency-provider must purchase a surety bond of \$50,000. If the agency-provider's Medicaid  
428.24 revenue in the previous calendar year is greater than \$300,000, the agency-provider must  
428.25 purchase a surety bond of \$100,000. The surety bond must be in a form approved by the  
428.26 commissioner, must be renewed annually, and must allow for recovery of costs and fees in  
428.27 pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a  
428.28 surety bond must occur within six years from the date the debt is affirmed by a final agency  
428.29 decision. An agency decision is final when the right to appeal the debt has been exhausted  
428.30 or the time to appeal has expired under section 256B.064;

428.31 (3) proof of fidelity bond coverage in the amount of \$20,000 per provider location;

428.32 (4) proof of workers' compensation insurance coverage;

428.33 (5) proof of liability insurance;

429.1 (6) a copy of the CFSS agency-provider's organizational chart identifying the names  
429.2 and roles of all owners, managing employees, staff, board of directors, and additional  
429.3 documentation reporting any affiliations of the directors and owners to other service  
429.4 providers;

429.5 (7) proof that the CFSS agency-provider has written policies and procedures including:  
429.6 hiring of employees; training requirements; service delivery; and employee and consumer  
429.7 safety, including the process for notification and resolution of participant grievances, incident  
429.8 response, identification and prevention of communicable diseases, and employee misconduct;

429.9 (8) proof that the CFSS agency-provider has all of the following forms and documents:

429.10 (i) a copy of the CFSS agency-provider's time sheet; and

429.11 (ii) a copy of the participant's individual CFSS service delivery plan;

429.12 (9) a list of all training and classes that the CFSS agency-provider requires of its staff  
429.13 providing CFSS services;

429.14 (10) documentation that the CFSS agency-provider and staff have successfully completed  
429.15 all the training required by this section;

429.16 (11) documentation of the agency-provider's marketing practices;

429.17 (12) disclosure of ownership, leasing, or management of all residential properties that  
429.18 are used or could be used for providing home care services;

429.19 (13) documentation that the agency-provider will use at least the following percentages  
429.20 of revenue generated from the medical assistance rate paid for CFSS services for CFSS



202.32 support worker wages and benefits: 72.5 percent of revenue from CFSS providers, except  
203.1 100 percent of the revenue generated by a medical assistance rate increase due to a collective  
203.2 bargaining agreement under section 179A.54 must be used for support worker wages and  
203.3 benefits. The revenue generated by the worker training and development services and the  
203.4 reasonable costs associated with the worker training and development services shall not be  
203.5 used in making this calculation; and

203.6 (14) documentation that the agency-provider does not burden participants' free exercise  
203.7 of their right to choose service providers by requiring CFSS support workers to sign an  
203.8 agreement not to work with any particular CFSS participant or for another CFSS  
203.9 agency-provider after leaving the agency and that the agency is not taking action on any  
203.10 such agreements or requirements regardless of the date signed.

203.11 (b) CFSS agency-providers shall provide to the commissioner the information specified  
203.12 in paragraph (a).

203.13 (c) All CFSS agency-providers shall require all employees in management and  
203.14 supervisory positions and owners of the agency who are active in the day-to-day management  
203.15 and operations of the agency to complete mandatory training as determined by the  
203.16 commissioner. Employees in management and supervisory positions and owners who are  
203.17 active in the day-to-day operations of an agency who have completed the required training  
203.18 as an employee with a CFSS agency-provider do not need to repeat the required training if  
203.19 they are hired by another agency and they have completed the training within the past three  
203.20 years. CFSS agency-provider billing staff shall complete training about CFSS program  
203.21 financial management. Any new owners or employees in management and supervisory  
203.22 positions involved in the day-to-day operations are required to complete mandatory training  
203.23 as a requisite of working for the agency.

203.24 (d) Agency-providers shall submit all required documentation in this section within 30  
203.25 days of notification from the commissioner. If an agency-provider fails to submit all the  
203.26 required documentation, the commissioner may take action under subdivision 23a.

203.27 **EFFECTIVE DATE.** This section is effective July 1, 2025.

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