12.1	ARTICLE 8
12.2	HOMELESSNESS, HOUSING, AND SUPPORT SERVICES
12.3	Section 1. Minnesota Statutes 2024, section 256B.051, subdivision 6, is amended to read:
12.4 12.5	Subd. 6. Provider qualifications and duties. A provider eligible for reimbursement under this section shall:
12.6 12.7	(1) enroll as a medical assistance Minnesota health care program provider and meet all applicable provider standards and requirements;
12.8 12.9	(2) demonstrate compliance with federal and state laws and policies for housing stabilization services as determined by the commissioner;
12.10	(3) comply with background study requirements under chapter 245C and maintain documentation of background study requests and results;
12.12	(4) directly provide housing stabilization services and not use a subcontractor or reporting agent; and
12.14	(5) complete annual vulnerable adult training-; and
12.15	(6) complete compliance training as required under subdivision 6a.
12.16 12.17	Sec. 2. Minnesota Statutes 2024, section 256B.051, is amended by adding a subdivision to read:
12.18 12.19 12.20 12.21 12.22 12.23	
12.24	(1) state and federal program billing, documentation, and service delivery requirements;
12.25	(2) enrollment requirements;
12.26	(3) provider program integrity, including fraud prevention, detection, and penalties;
12.27	(4) fair labor standards;
12.28	(5) workplace safety requirements; and
12.29	(6) recent changes in service requirements.
13.1 13.2 13.3 13.4	(b) New owners active in day-to-day management and operations of the agency and managerial and supervisory employees must complete compliance training under this subdivision to be employed by or conduct management and operations activities for the agency. If an individual moves to another housing stabilization services provider agency

213.5 213.6 213.7	repeat the training required under this subdivision if the individual documents completion of the training within the past three years.
213.8 213.9	(c) Any housing stabilization services provider agency enrolled before January 1, 2027, must complete the compliance training by January 1, 2028, and every three years thereafter.
213.10	Sec. 3. Minnesota Statutes 2024, section 256I.03, subdivision 11a, is amended to read:
213.11 213.12	Subd. 11a. MSA equivalent rate. "MSA equivalent rate" means an amount equal to the total of:
213.13 213.14	(1) the combined maximum shelter and basic needs standards for MSA recipients living alone specified in section 256D.44, subdivisions 2, paragraph (a); and 3, paragraph (a); plus
213.15 213.16 213.17	(2) the maximum allotment authorized by the federal Supplemental Nutrition Assistance Program (SNAP) for a single individual which is in effect on the first day of July each year; less
213.18 213.19	(3) the personal needs allowance authorized for medical assistance recipients under section 256B.35.
213.20 213.21	The MSA equivalent rate is to shall be adjusted on the first day of July each year to reflect changes increases in any of the component rates under clauses (1) to (3).
213.22	Sec. 4. Minnesota Statutes 2024, section 256I.05, subdivision 1d, is amended to read:
213.25 213.26 213.27	Subd. 1d. Certain facilities for mental illness or substance use disorder; supplementary rates. Notwithstanding the provisions of subdivisions 1a and 1e, A county agency may negotiate a supplementary service rate in addition to the board and lodging rate under subdivision 1, not to exceed the maximum rate allowed under subdivision 1a, for facilities licensed and registered by the Minnesota Department of Health under section 157.17 prior to December 31, 1996, if the facility meets the following criteria:
213.29 213.30	(1) at least 75 percent of the residents have a primary diagnosis of mental illness, substance use disorder, or both, and have related special needs;
214.1 214.2 214.3	(2) the facility provides 24-hour, on-site, year-round supportive services by qualified staff capable of intervention in a crisis of persons with late-state inebriety or mental illness who are vulnerable to abuse or neglect;
214.4	(3) the services at the facility include, but are not limited to:
214.5	(i) secure central storage of medication;
214.6	(ii) reminders and monitoring of medication for self-administration;
214.7 214.8	(iii) support for developing an individual medical and social service plan, updating the plan, and monitoring compliance with the plan; and

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214.9 214.10	(iv) assistance with setting up meetings, appointments, and transportation to access medical, chemical health, and mental health service providers;
214.11	(4) each resident has a documented need for at least one of the services provided;
	(5) each resident has been offered an opportunity to apply for admission to a licensed residential treatment program for mental illness, substance use disorder, or both, have refused that offer, and the offer and their refusal has been documented to writing; and
214.15 214.16	(6) the residents are not eligible for home and community-based services waivers because of their unique need for community support.
214.19	Until June 30, 2002, the supplementary service rate of qualifying facilities under this subdivision may be increased by up to 15 percent of the supplementary service rate in effect on January 1, 2001, for the facility. Qualifying facilities with no supplementary service rate may negotiate a supplementary service rate not to exceed \$300 per month.
214.21	Sec. 5. Minnesota Statutes 2024, section 256I.05, subdivision 1e, is amended to read:
214.24 214.25	Subd. 1e. Supplementary rate for certain facilities. (a) Notwithstanding the provisions of subdivisions 1a and 1e, beginning July 1, 2005, A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed \$700 per month, including any legislatively authorized inflationary adjustments the maximum rate allowed under subdivision 1a, for a housing support provider that:
214.27 214.28	(1) is located in Hennepin County and has had a housing support contract with the county since June 1996;
214.29 214.30	(2) operates in three separate locations a 75-bed facility, a 50-bed facility, and a 26-bed facility; and
215.1 215.2 215.3	(3) serves a clientele with substance use disorder, providing 24 hours per day supervision and limiting a resident's maximum length of stay to 13 months out of a consecutive 24-month period.
215.4 215.5 215.6 215.7	(b) Notwithstanding subdivisions 1a and 1e, A county agency shall negotiate a supplementary rate in addition to the rate specified in subdivision 1, not to exceed \$700 per month, including any legislatively authorized inflationary adjustments, of the maximum rate allowed under subdivision 1a, for a housing support provider that:
215.8 215.9	(1) is located in St. Louis County and has had a housing support contract with the county since 2006;
215.10	(2) operates a 62-bed facility; and
215.11 215.12 215.13	(3) serves an adult male clientele with substance use disorder, providing 24 hours per day supervision and limiting a resident's maximum length of stay to 13 months out of a consecutive 24-month period.

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215.14	(c) Notwithstanding subdivisions 1a and 1c, beginning July 1, 2013, A county agency
215.15	shall negotiate a supplementary rate in addition to the rate specified in subdivision 1, not
	to exceed \$700 per month, including any legislatively authorized inflationary adjustments
	the maximum rate allowed under subdivision 1a, for the provider described under paragraphs
215.18	(a) and (b), not to exceed an additional 115 beds.
215.19	Sec. 6. Minnesota Statutes 2024, section 256I.05, subdivision 1f, is amended to read:
215.20	Subd. 1f. Supplementary service rate increases on or after July 1, 2001. Until June
	30, 2002, the supplementary service rate for recipients of assistance under section 256I.04
	who reside in A county agency shall negotiate a supplementary service rate in addition to
	the rate specified in subdivision 1, not to exceed the maximum rate under subdivision 1a,
	<u>for</u> a residence that is licensed by the commissioner of health as a boarding care home but
	is not certified for purposes of the medical assistance program may be increased by up to
	32 percent of the supplementary service rate in effect for that facility on January 1, 2001.
	The new rate shall not exceed the nonfederal share of the statewide weighted average
	monthly medical assistance nursing facility payment rate for ease mix A in effect on January
215.29	1, 2001 .
215.30	Sec. 7. Minnesota Statutes 2024, section 256I.05, subdivision 1g, is amended to read:
215.31	Subd. 1g. Supplementary service rate for certain facilities. An agency may negotiate
215.32	a supplementary service rate, not to exceed the maximum rate allowed under subdivision
216.1	1a, for recipients of assistance under section 256I.04, subdivision 1, paragraph (a) or (b),
216.2	who have experienced long-term homelessness and who live in a supportive housing
216.3	establishment under section 256I.04, subdivision 2a, paragraph (b), clause (2).
216.4	Sec. 8. Minnesota Statutes 2024, section 256I.05, subdivision 1h, is amended to read:
216.5	Subd. 1h. Supplementary rate for certain facilities serving males with substance
216.6	use disorder. Notwithstanding subdivisions 1a and 1e, beginning July 1, 2007, A county
216.7	agency shall negotiate a supplementary service rate in addition to the rate specified in
216.8	subdivision 1, not to exceed \$737.87 per month, including any legislatively authorized
216.9	inflationary adjustments the maximum rate allowed under subdivision 1a, for a housing
216.10	support provider that:
216.11	(1) is located in Ramsey County and has had a housing support contract with the county
216.12	since 1982 and has been licensed as a board and lodge facility with special services since
216.12	1979; and
210.13	
216.14	(2) serves males with and recovering from substance use disorder, providing
216.15	24-hour-a-day supervision.
216.16	Sec. 9. Minnesota Statutes 2024, section 256I.05, subdivision 1i, is amended to read:
216.17	Subd. 1i. Supplementary rate for certain facilities; Hennepin County. Notwithstandi
216.18	the provisions of subdivisions 1a and 1c, A county agency shall negotiate a supplementary
216.19	service rate in addition to the rate specified in subdivision 1, not to exceed \$700 per month,

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216.21 216.22 216.23	including any legislatively authorized inflationary adjustments, up to the available appropriation the maximum rate allowed under subdivision 1a, for a facility located in Hennepin County with a capacity of up to 48 beds that has been licensed since 1978 as a board and lodging facility and that until August 1, 2007, operated as a licensed substance use disorder treatment program.
216.25	Sec. 10. Minnesota Statutes 2024, section 256I.05, subdivision 1j, is amended to read:
216.26 216.27 216.28 216.29 216.30 216.31 217.1 217.2	Subd. 1j. Supplementary rate for certain facilities; Crow Wing County. Notwithstanding the provisions of subdivisions 1a and 1e, beginning July 1, 2007, A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed \$700 per month, including any legislatively authorized inflationary adjustments the maximum rate allowed under subdivision 1a, for a new 65-bed facility in Crow Wing County that will serve serves persons with substance use disorder operated by a housing support provider that currently operates a 304-bed facility in Minneapolis and a 44-bed facility in Duluth which opened in January of 2006.
217.3	Sec. 11. Minnesota Statutes 2024, section 256I.05, subdivision 1k, is amended to read:
217.4 217.5 217.6 217.7 217.8 217.9 217.10 217.11 217.12	Subd. 1k. Supplementary rate for certain facilities; Stearns, Sherburne, or Benton County. Notwithstanding the provisions of this section, beginning July 1, 2009, A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed \$700 per month, including any legislatively authorized inflationary adjustments the maximum rate allowed under subdivision 1a, for a housing support provider located in Stearns, Sherburne, or Benton County that operates a 40-bed facility, that received financing through the Minnesota Housing Finance Agency Ending Long-Term Homelessness Initiative and serves clientele with substance use disorder, providing 24-hour-a-day supervision.
217.13	Sec. 12. Minnesota Statutes 2024, section 256I.05, subdivision 1l, is amended to read:
217.19 217.20	supplementary service rate in addition to the rate specified in subdivision 1, not to exceed
217.22	Sec. 13. Minnesota Statutes 2024, section 256I.05, subdivision 1m, is amended to read:
	Subd. 1m. Supplemental Supplementary rate for certain facilities; Hennepin and Ramsey Counties. Notwithstanding the provisions of this section, beginning July 1, 2007, A county agency shall negotiate a supplemental supplementary service rate in addition to

217.26 the rate specified in subdivision 1, not to exceed the maximum rate in subdivision 1a or the 217.27 existing monthly rate, whichever is higher, including any legislatively authorized inflationary

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217.28	adjustments, for a housing support provider that operates two ten-bed facilities, one located
	in Hennepin County and one located in Ramsey County, which provide community support
	and serve the mental health needs of individuals who have chronically lived unsheltered,
	providing 24-hour-per-day supervision.
218.1	Sec. 14. Minnesota Statutes 2024, section 256I.05, subdivision 1n, is amended to read:
218.2	Subd. 1n. Supplemental Supplementary rate; Mahnomen County. Notwithstanding
218.3	the provisions of this section, for the rate period July 1, 2010, to June 30, 2011, A county
218.4	agency shall negotiate a supplemental supplementary service rate in addition to the rate
218.5	specified in subdivision 1, not to exceed \$753 per month or the existing rate, including any
218.6	legislative authorized inflationary adjustments the maximum rate allowed under subdivision
218.7	1a, for a housing support provider located in Mahnomen County that operates a 28-bed
218.8	facility providing 24-hour care to individuals who are homeless, disabled, mentally ill,
218.9	chronically homeless, or have substance use disorder.
218.10	Sec. 15. Minnesota Statutes 2024, section 256I.05, subdivision 1p, is amended to read:
218.11	Subd. 1p. Supplementary rate; St. Louis County. Notwithstanding the provisions of
218.12	
218.13	supplementary service rate in addition to the rate specified in subdivision 1, not to exceed
218.14	\$700 per month, including any legislatively authorized inflationary adjustments the maximum
218.15	rate allowed under subdivision 1a, for a housing support provider that:
218.16	(1) is located in St. Louis County and has had a housing support contract with the county
218.17	since July 2016;
218.18	(2) operates a 35-bed facility;
218.19	(3) serves women who have substance use disorder, mental illness, or both;
218.20	(4) provides 24-hour per day supervision;
218.21	(5) provides on-site support with skilled professionals, including a licensed practical
218.22	nurse, registered nurses, peer specialists, and resident counselors; and
218.23	(6) provides independent living skills training and assistance with family reunification.
218.24	Sec. 16. Minnesota Statutes 2024, section 256I.05, subdivision 1q, is amended to read:
218.25	Subd. 1q. Supplemental Supplementary rate; Olmsted County. Notwithstanding the
218.26	provisions of subdivisions 1a and 1e, beginning July 1, 2017, A county agency shall negotiate
218.27	a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed
218.28	\$750 per month, including any legislatively authorized inflationary adjustments the maximum
218.29	rate allowed under subdivision 1a, for a housing support provider located in Olmsted County
218.30	
219.1	women with substance use disorder and provide 24-hour-a-day supervision and other support
219.2	services.

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Subd. 1r. Supplemental Supplementary rate; Anoka County. Notwithstanding the provisions in this section, A county agency shall negotiate a supplemental supplementary service rate for 42 beds in addition to the rate specified in subdivision 1, not to exceed the maximum rate allowed under subdivision 1a, including any legislatively authorized inflationary adjustments, for a housing support provider that is located in Anoka County and provides emergency housing on the former Anoka Regional Treatment Center campus.
Sec. 18. Minnesota Statutes 2024, section 256I.05, subdivision 1s, is amended to read:
Subd. 1s. Supplementary rate; Douglas County. Notwithstanding the provisions of subdivisions 1a and 1e, beginning July 1, 2023, A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed \$750 per month, including any legislatively authorized inflationary adjustments the maximum rate allowed under subdivision 1a, for a housing support provider located in Douglas County that operates a long-term residential facility with a total of 74 beds that serve chemically dependent men and provide 24-hour-a-day supervision and other support services.
Sec. 19. Minnesota Statutes 2024, section 256I.05, subdivision 1t, is amended to read:
Subd. 1t. Supplementary rate; Crow Wing County. Notwithstanding the provisions of subdivisions 1a and 1e, beginning July 1, 2023, A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed \$750 per month, including any legislatively authorized inflationary adjustments the maximum rate allowed under subdivision 1a, for a housing support provider located in Crow Wing County that operates a long-term residential facility with a total of 90 beds that serves chemically dependent men and women and provides 24-hour-a-day supervision and other support services.
Sec. 20. Minnesota Statutes 2024, section 256I.05, subdivision 1u, is amended to read:
Subd. 1u. Supplementary rate; Douglas County. Notwithstanding the provisions in this section, beginning July 1, 2023, A county agency shall negotiate a supplemental supplementary service rate for up to 20 beds in addition to the rate specified in subdivision 1, not to exceed the maximum rate allowed under subdivision 1a, including any legislatively authorized inflationary adjustments; for a housing support provider located in Douglas County that operates two facilities and provides room and board and supplementary services to adult males recovering from substance use disorder, mental illness, or housing instability.
Sec. 21. Minnesota Statutes 2024, section 256I.05, subdivision 2, is amended to read:
Subd. 2. Monthly rates; exemptions. This subdivision applies to A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed the maximum rate under subdivision 1a, for a residence that on August 1, 1984, was licensed by the commissioner of health only as a boarding care home, certified by the

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	of human services under Minnesota Rules, parts 9520.0500 to 9520.0670. Notwithstanding
	the provisions of subdivision 1e, the rate paid to a facility reimbursed under this subdivision
	shall be determined under chapter 256R, if the facility is accepted by the commissioner for
	participation in the alternative payment demonstration project. The rate paid to this facility
	shall also include adjustments to the room and board rate according to subdivision 1.
	· ·
220.16	Sec. 22. [256K.50] EMERGENCY SHELTER FACILITIES.
220.17	Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
220.18	the meanings given.
220.19	(b) "Commissioner" means the commissioner of human services.
220.20	(c) "Eligible applicant" means a statutory or home rule charter city, county, Tribal
220.21	
220.22	
220.23	(d) "Emergency shelter facility" or "facility" means a facility that provides a safe, sanitary,
220.24	accessible, and suitable emergency shelter for individuals and families experiencing
220.25	homelessness, regardless of whether the facility provides emergency shelter during the day,
220.26	overnight, or both.
220.27	Subd. 2. Project criteria. The commissioner shall prioritize grants under this section
220.28	
220.29	(1) adding additional emergency shelter facilities by renovating existing facilities not
220.30	
220.31 220.32	(2) adding additional emergency shelter facility beds by renovating existing emergency
220.32	shelter facilities, including major projects that address an accumulation of deferred maintenance or repair or replacement of mechanical, electrical, and safety systems and
221.1	components in danger of failure;
221.2	
221.3	(3) adding additional emergency shelter facility beds through acquisition and construction
221.4	of new emergency shelter facilities;
221.5	(4) improving the safety, sanitation, accessibility, and habitability of existing emergency
221.6	shelter facilities, including major projects that address an accumulation of deferred
221.7	maintenance or repair or replacement of mechanical, electrical, and safety systems and
221.8	components in danger of failure; and
221.9	(5) improving access to emergency shelter facilities that provide culturally appropriate
221.10	

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221.11	Subd. 3. Eligible uses of grant money. A grant under this section may be used to pay
221.12	for 100 percent of total project capital expenditures or a specified project phase, up to
221.13	\$500,000 per project.
221.14	Subd. 4. State and local building codes met. All projects funded with a grant under
221.15	this section must meet all applicable state and local building codes at the time of project
221.16	completion.
	Subd. 5. Competitive request for proposal process, priority (a) The commissioner
221.17	Subd. 5. Competitive request for proposal process; priority. (a) The commissioner
221.18	must use a competitive request for proposal process to identify potential projects and eligible
221.19	applicants on a statewide basis. At least 40 percent of the appropriation for this purpose
221.20	must be awarded to projects located in greater Minnesota. If the commissioner does not
221.21	receive sufficient eligible funding requests from greater Minnesota to award at least 40
221.22	percent of the appropriation for this purpose to projects in greater Minnesota, the
221.23	commissioner may award the remaining money to other eligible projects.
221.24	(b) For eligible applicants seeking funding under this section for the acquisition and
221.25	construction of new emergency shelter facilities under subdivision 2, clause (3), the
221.26	commissioner must give priority to projects in which the eligible applicant will provide at
221.27	least ten percent of total project funding.
221.28	Sec. 23. HOUSING SUPPORT BACKGROUND STUDY EVALUATION.
221.29	(a) The commissioner of human services shall conduct an evaluation of background
221.30	study requirements outlined in Minnesota Statutes, sections 245C.03, subdivision 10, and
221.31	256I.04, subdivision 2c, to:
222.1	(1) assess the impact of eligibility, disqualifications, and processing times on supportive
222.2	housing and emergency shelter providers;
222.3	(2) determine the applicability of alternative background study methods to protect the
222.4	individuals served by supportive housing and emergency shelter programs; and
222.5	(2) make recommendations for reforms that address in afficiencies or weaknesses that
222.5	(3) make recommendations for reforms that address inefficiencies or weaknesses that prevent qualified individuals from providing services or securing employment.
222.0	prevent quantied individuals from providing services of securing employment.
222.7	(b) The commissioner shall contract with an independent contractor to complete the
222.8	evaluation and submit a report to the Department of Human Services.
222.9	(c) Evaluation findings shall be summarized in a written report to the chairs and ranking
222.10	minority members of the legislative committees with jurisdiction over supportive housing
222.11	and human services licensing by December 1, 2027.

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222.12	Sec. 24. DIRECTION TO COMMISSIONER; HOUSING SUPPORT TEMPORARY
222.13	SUPPLEMENTARY SERVICE RATES.
222.14	The commissioner of human services shall increase housing support supplementary
	<u></u>
222.15	services rates under Minnesota Statutes, section 256I.05, subdivisions 1a to 2, by 30 percent
222.16	for fiscal years 2026 and 2027.
222.15	C AS DIRECTION TO COMMISSIONED INDIAN HEALTH SERVICE
222.17	Sec. 25. <u>DIRECTION TO COMMISSIONER; INDIAN HEALTH SERVICE</u>
222.18	ENCOUNTER RATE.
222.19	The commissioner of human services must submit a state plan amendment to the Centers
222.20	for Medicare and Medicaid Services authorizing housing services as a new service category
222.21	eligible for reimbursement at the outpatient per-day rate approved by the Indian Health
222.22	Service. This reimbursement is limited to services provided by facilities of the Indian Health
222.23	Service and facilities owned or operated by a Tribe or Tribal organization. For the purposes
222.24	of this section, "housing services" means housing stabilization services as described in
222 25	Minnesota Statutes section 256B 051 subdivision 5 paragraphs (a) to (d)