CHAPTER 246C

DIRECT CARE AND TREATMENT

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246C.01 TITLE.

This chapter may be cited as the "Direct Care and Treatment Act."

History: *2023 c 61 art 8 s 7; 2024 c 125 art 5 s 18; 2024 c 127 art 50 s 18*

246C.015 DEFINITIONS.

Subdivision 1. **Scope.** For purposes of this chapter, the following terms have the meanings given.

Subd. 2. **Chief executive officer.** "Chief executive officer" means the Direct Care and Treatment chief executive officer appointed according to section 246C.08.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of human services.

Subd. 4. **Community preparation services.** "Community preparation services" means specialized inpatient or outpatient services operated outside of a secure environment but administered by a secure treatment facility.

Subd. 5. **County of financial responsibility.** "County of financial responsibility" has the meaning given in section 256G.02, subdivision 4.

Subd. 5a. **Direct Care and Treatment.** "Direct Care and Treatment" means the agency of Direct Care and Treatment established under this chapter.

Subd. 6. **Executive board.** "Executive board" means the Direct Care and Treatment executive board established under section 246C.06.

Subd. 7. **Executive medical director.** "Executive medical director" means the licensed physician serving as executive medical director in Direct Care and Treatment under section 246C.09.

Subd. 8. **Head of the facility or head of the program.** "Head of the facility" or "head of the program" means the person who is charged with overall responsibility for the professional program of care and treatment of the facility or program.

Subd. 9. **Indian.** "Indian" has the meaning given in section 260.755, subdivision 7.

Subd. 10. **Secure treatment facility.** "Secure treatment facility" means a facility as defined in section 253B.02, subdivision 18a, or 253D.02, subdivision 13.

Subd. 11. **Tobacco; tobacco-related device.** "Tobacco" and "tobacco-related device" have the meanings given in section 609.685, subdivision 1.

History: *2024 c 79 art 1 s 18; 2024 c 125 art 5 s 34; 2024 c 127 art 50 s 34*

246C.02 DIRECT CARE AND TREATMENT; ESTABLISHMENT.

Subdivision 1. **Establishment.** Direct Care and Treatment is created as an agency headed by an executive board.

Subd. 2. MS 2023 Supp [Repealed by amendment, 2024 c 125 art 5 s 19; 2024 c 127 art 50 s 19]

Subd. 3. **Direct care and treatment services.** Direct Care and Treatment shall provide direct care and treatment services that include specialized inpatient programs at secure treatment facilities, community preparation services, regional treatment centers, enterprise services, consultative services, aftercare services, community-based services and programs, transition services, nursing home services, and other services consistent with state law, including this chapter and chapters 245, 246, 246B, 252, 253, 253B, 253C, 253D, 254A, 254B, and 256. Direct Care and Treatment shall provide direct care and treatment services in coordination with the commissioner of human services, counties, and other vendors.

Subd. 4. **Statewide services.** (a) The administrative structure of state-operated services must be statewide in character.

(b) The state-operated services staff may deliver services at any location throughout the state.

Subd. 5. **Department of Human Services as state agency.** The commissioner of human services continues to constitute the "state agency" as defined by the Social Security Act of the United States and the laws of this state for all purposes relating to mental health and mental hygiene.

History: *1949 c 512 s 7; 1984 c 654 art 5 s 58; 1Sp2003 c 14 art 6 s 21; 2023 c 61 art 8 s 8; 2024 c 79 art 1 s 19; 2024 c 125 art 5 s 19; 2024 c 127 art 50 s 19*

246C.03 MS 2023 Supp [Repealed, 2024 c 125 art 5 s 45; 2024 c 127 art 50 s 45]

246C.04 TRANSFER OF DUTIES.

Subdivision 1. **Transfer of duties.** (a) Section 15.039 applies to the transfer of responsibilities from the Department of Human Services to Direct Care and Treatment required by this chapter.

(b) The commissioner of administration, with the governor's approval, shall issue reorganization orders under section 16B.37 as necessary to carry out the transfer of duties required by this chapter. The provision of section 16B.37, subdivision 1, stating that transfers under section 16B.37 may only be to an agency that has existed for at least one year does not apply to transfers to an agency created by this chapter.

Subd. 2. **Transfer of custody of civilly committed persons.** The commissioner of human services shall continue to exercise all authority and responsibility for and retain custody of persons subject to civil commitment under chapter 253B or 253D until July 1, 2025. Effective July 1, 2025, custody of persons subject to civil commitment under chapter 253B or 253D and in the custody of the commissioner of human services as of that date is hereby transferred to the executive board without any further act or proceeding. Authority and responsibility for the commitment of such persons is transferred to the executive board July 1, 2025.

Subd. 3. **Control of direct care and treatment.** The commissioner of human services shall continue to exercise all authorities and responsibilities under this chapter and chapters 13, 245, 246, 246B, 252, 253, 253B, 253C, 253D, 254A, 254B, and 256, with reference to any state-operated service, program, or facility subject to transfer under Laws 2024, chapter 79; Laws 2024, chapter 125, article 5; and Laws 2024, chapter 127, article 50, until July 1, 2025. Effective July 1, 2025, the powers and duties vested in or imposed upon the commissioner of human services with reference to any state-operated service, program, or facility are hereby transferred to, vested in, and imposed upon the executive board according to this chapter and applicable state law. Effective July 1, 2025, the executive board has the exclusive power of administration and management of all state hospitals for persons with a developmental disability, mental illness, or substance use disorder. Effective July 1, 2025, the executive board has the power and authority to determine all matters relating to the development of all of the foregoing institutions and of such other institutions vested in the executive board. Effective July 1, 2025, the powers, functions, and authority vested in the commissioner of human services relative to such state institutions are transferred to the executive board according to this chapter and applicable state law.

Subd. 4. **Appropriations.** There is hereby appropriated to such persons or institutions as are entitled to such sums as are provided for in this section, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make such payment.

History: *1959 c 158 s 16; 2023 c 61 art 8 s 10; 2024 c 79 art 1 s 21; 2024 c 125 art 5 s 20; 2024 c 127 art 50 s 20*

246C.05 MS 2024 [Expired, 2024 c 79 art 1 s 22]

246C.051 CLASSIFICATION ALIGNMENT FOR DIRECT CARE AND TREATMENT EMPLOYEES.

(a) Notwithstanding section 43A.08; Minnesota Rules, part 3900.1300; or any other law to the contrary, Direct Care and Treatment may, with approval from Minnesota Management and Budget, convert employees deemed unclassified pursuant to pilot authority of the Department of Human Services under Laws 1997, chapter 97, section 18, into the classified service.

(b) Employees converted to the classified service pursuant to this section are subject to the terms and conditions of employment applicable to positions in the classified service pursuant to statute, rule, bargaining unit or compensation plan, and agency policy, including but not limited to required probationary periods and mandatory training requirements.

(c) Employees converted to the classified service pursuant to this section must not receive a reduction in salary at the time of the conversion.

History: *2026 c 95 art 1 s 9*

246C.06 EXECUTIVE BOARD; MEMBERSHIP; GOVERNANCE.

Subdivision 1. **Establishment.** The Direct Care and Treatment executive board is established.

Subd. 2. **Membership.** (a) The Direct Care and Treatment executive board consists of nine members with seven voting members and two nonvoting members. The seven voting members must include six members appointed by the governor with the advice and consent of the senate in accordance with paragraph (b) and the commissioner of human services or a designee. The two nonvoting members must be appointed in accordance with paragraph (c). Section 15.0597 applies to all executive board appointments except for the commissioner of human services.

(b) The executive board voting members appointed by the governor must meet the following qualifications:

(1) one member must be a licensed physician who is a psychiatrist or has experience in serving behavioral health patients;

(2) two members must have experience serving on a hospital or nonprofit board; and

(3) three members must have experience working: (i) in the delivery of behavioral health services or care coordination or in traditional healing practices; (ii) as a licensed health care professional; (iii) within health care administration; or (iv) with residential services.

(c) The executive board nonvoting members must be appointed as follows:

(1) one member appointed by the Association of Counties; and

(2) one member who has an active role as a union representative representing staff at Direct Care and Treatment appointed by joint representatives of the following unions: American Federation of State, County and Municipal Employees (AFSCME); Minnesota Association of Professional Employees (MAPE); Minnesota Nurses Association (MNA); Middle Management Association (MMA); and State Residential Schools Education Association (SRSEA).

(d) Membership on the board must include representation from outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2.

(e) A voting member of the executive board must not be or must not have been within one year prior to appointment: (1) an employee of Direct Care and Treatment; (2) an employee of a county, including a county commissioner; (3) an active employee or representative of a labor union that represents employees of Direct Care and Treatment; or (4) a member of the state legislature. This paragraph does not apply to the nonvoting members or the commissioner of human services or designee.

Subd. 3. **Procedures.** Except as otherwise provided in this section, the membership terms and removal and filling of vacancies for the executive board are governed by section 15.0575.

Subd. 4. **Compensation.** (a) Notwithstanding section 15.0575, subdivision 3, paragraph (a), the nonvoting members of the executive board must not receive daily compensation for executive board activities. Nonvoting members of the executive board may receive expenses in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. Nonvoting members who, as a result of time spent attending board meetings, incur child care expenses that would not otherwise have been incurred may be reimbursed for those expenses upon board authorization.

(b) Notwithstanding section 15.0575, subdivision 3, paragraph (a), the Compensation Council under section 15A.082 must determine the compensation for voting members of the executive board per day spent on executive board activities authorized by the executive board. Voting members of the executive board may also receive the expenses in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. Voting members who, as a result of time spent attending board meetings, incur child care expenses that would not otherwise have been incurred may be reimbursed for those expenses upon board authorization.

(c) The commissioner of management and budget must publish the daily compensation rate for voting members of the executive board determined under paragraph (b) on the Department of Management and Budget's website.

(d) Voting members of the executive board must adopt internal standards prescribing what constitutes a day spent on board activities for the purposes of making payments authorized under paragraph (b).

(e) All other requirements under section 15.0575, subdivision 3, apply to the compensation of executive board members.

Subd. 5. **Acting chair; officers.** (a) The governor shall designate one member from the voting membership appointed by the governor as acting chair of the executive board.

(b) At the first meeting of the executive board, the executive board must elect a chair from among the voting membership appointed by the governor.

(c) The executive board must annually elect a chair from among the voting membership appointed by the governor.

(d) The executive board must elect officers from among the voting membership appointed by the governor. The elected officers shall serve for one year.

Subd. 6. **Terms.** (a) Except for the commissioner of human services, executive board members must not serve more than two consecutive terms unless service beyond two consecutive terms is approved by the majority of voting members. The commissioner of human services or a designee shall serve until replaced by the governor.

(b) An executive board member may resign at any time by giving written notice to the executive board.

(c) The initial term of the member appointed under subdivision 2, paragraph (b), clause (1), is two years. The initial term of the members appointed under subdivision 2, paragraph (b), clause (2), is three years. The initial term of the members appointed under subdivision 2, paragraph (b), clause (3), and the members appointed under subdivision 2, paragraph (c), is four years.

(d) After the initial term, the term length of all appointed executive board members is four years.

Subd. 7. **Conflicts of interest.** Executive board members must recuse themselves from discussion of and voting on an official matter if the executive board member has a conflict of interest. A conflict of interest means an association, including a financial or personal association, that has the potential to bias or have the appearance of biasing an executive board member's decision in matters related to Direct Care and Treatment or the conduct of activities under this chapter.

Subd. 8. **Meetings.** The executive board must meet at least four times per fiscal year at a place and time determined by the executive board.

Subd. 9. **Quorum.** A majority of the voting members of the executive board constitutes a quorum. The affirmative vote of a majority of the voting members of the executive board is necessary and sufficient for action taken by the executive board.

Subd. 10. **Immunity; indemnification.** (a) Members of the executive board are immune from civil liability for any act or omission occurring within the scope of the performance of their duties under this chapter.

(b) When performing executive board duties or actions, members of the executive board are employees of the state for purposes of indemnification under section 3.736, subdivision 9.

Subd. 11. **Rulemaking.** (a) The executive board is authorized to adopt, amend, and repeal rules in accordance with chapter 14 to the extent necessary to implement this chapter or any responsibilities of Direct Care and Treatment specified in state law. The 18-month time limit under section 14.125 does not apply to the rulemaking authority under this subdivision.

(b) Until July 1, 2027, the executive board may adopt rules using the expedited rulemaking process in section 14.389.

(c) In accordance with section 15.039, all orders, rules, delegations, permits, and other privileges issued or granted by the Department of Human Services with respect to any function of Direct Care and Treatment and in effect at the time of the establishment of Direct Care and Treatment shall continue in effect as if such establishment had not occurred. The executive board may amend or repeal rules applicable to Direct Care and Treatment that were established by the Department of Human Services in accordance with chapter 14.

(d) The executive board must not adopt rules that go into effect or enforce rules prior to July 1, 2025.

History: *2024 c 79 art 1 s 23; 2024 c 125 art 5 s 35; 2024 c 127 art 50 s 35; 2025 c 38 art 3 s 32*

246C.07 POWERS AND DUTIES OF EXECUTIVE BOARD.

Subdivision 1. **Generally.** (a) The executive board must operate the agency according to this chapter and applicable state and federal law. The overall management and control of the agency is vested in the executive board in accordance with this chapter.

(b) The executive board must appoint a chief executive officer according to section 246C.08. The chief executive officer is responsible for the administrative and operational duties of Direct Care and Treatment in accordance with this chapter.

(c) The executive board may delegate duties imposed by this chapter and under applicable state and federal law as deemed appropriate by the board and in accordance with this chapter. Any delegation of a specified statutory duty or power to an employee of Direct Care and Treatment other than the chief executive officer must be made by written order and filed with the secretary of state. Only the chief executive officer shall have the powers and duties of the executive board as specified in section 246C.08.

Subd. 2. **Principles.** The executive board, in undertaking its duties and responsibilities and within Direct Care and Treatment resources, shall act according to the following principles:

(1) prevent the waste or unnecessary spending of public money;

(2) use innovative fiscal and human resource practices to manage the state's resources and operate the agency as efficiently as possible;

(3) coordinate Direct Care and Treatment activities wherever appropriate with the activities of other governmental agencies;

(4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government; and

(5) utilize constructive and cooperative labor management practices to the extent otherwise required by chapter 43A or 179A.

Subd. 3. **Powers and duties.** (a) The executive board has the power and duty to:

(1) set the overall strategic direction for Direct Care and Treatment, ensuring that Direct Care and Treatment delivers exceptional care and supports the well-being of all individuals served by Direct Care and Treatment;

(2) establish policies and procedures to govern the operation of the facilities, programs, and services under the direct authority of Direct Care and Treatment;

(3) employ personnel and delegate duties and responsibilities to personnel as deemed appropriate by the executive board, subject to chapters 43A and 179A and in accordance with this chapter;

(4) review and approve the operating budget proposal for Direct Care and Treatment;

(5) accept and use gifts, grants, or contributions from any nonstate source or refuse to accept any gift, grant, or contribution if acceptance would not be in the best interest of the state;

(6) deposit all money received as gifts, grants, or contributions pursuant to section 246C.091, subdivision 1;

(7) expend or use any gift, grant, or contribution as nearly in accordance with the conditions of the gift, grant, or contribution identified by the donor for a certain institution or purpose, compatible with the best interests of the individuals under the jurisdiction of the executive board and of the state;

(8) comply with all conditions and requirements necessary to receive federal aid or block grants with respect to the establishment, construction, maintenance, equipment, or operation of adequate facilities and services consistent with the mission of Direct Care and Treatment;

(9) enter into information-sharing agreements with federal and state agencies and other entities, provided the agreements include adequate protections with respect to the confidentiality and integrity of the information to be shared and comply with all applicable state and federal laws, regulations, and rules;

(10) enter into interagency or service level agreements with a state department listed in section 15.01; a multimember state agency described in section 15.012, paragraph (a); or the Department of Information Technology Services;

(11) enter into contractual agreements with federally recognized Indian Tribes with a reservation in Minnesota;

(12) enter into contracts with public and private agencies, private and nonprofit organizations, and individuals using appropriated money;

(13) establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all programs or divisions of Direct Care and Treatment;

(14) authorize the method of payment to or from Direct Care and Treatment as part of programs administered by Direct Care and Treatment, including authorization of the receipt or disbursement of money held by Direct Care and Treatment in a fiduciary capacity as part of the programs administered by Direct Care and Treatment;

(15) inform Tribal Nations and county agencies, on a timely basis, of changes in statute, rule, federal law, regulation, and policy necessary to Tribal or county agency administration of Direct Care and Treatment programs and services;

(16) report to the legislature on the performance of Direct Care and Treatment operations and the accomplishment of Direct Care and Treatment goals in its biennial budget in accordance with section 16A.10, subdivision 1;

(17) recommend to the legislature appropriate changes in law necessary to carry out the principles and improve the performance of Direct Care and Treatment; and

(18) exercise all powers reasonably necessary to implement and administer the requirements of this chapter and applicable state and federal law.

(b) The specific enumeration of powers and duties as set forth in this section shall not be construed as a limitation upon the general transfer of Direct Care and Treatment facilities, programs, and services from the Department of Human Services to Direct Care and Treatment under this chapter.

Subd. 4. **Creation of bylaws.** The board may establish bylaws governing its operations and the operations of Direct Care and Treatment in accordance with this chapter.

Subd. 5. **Performance of chief executive officer.** The governor may request that the executive board review the performance of the chief executive officer at any time. Within 14 days of receipt of the request, the board must meet and conduct a performance review as specifically requested by the governor. During the performance review, a representative of the governor must be included as a voting member of the board for the purpose of the board's discussions and decisions regarding the governor's request. The board must establish a performance improvement plan as necessary or take disciplinary or other corrective action, including dismissal. The executive board must report to the governor on action taken by the board, including an explanation if no action is deemed necessary.

Subd. 6. **Reciprocal exchange of certain persons.** The executive board is authorized with the approval of the governor to enter into reciprocal agreements with duly authorized authorities of another state or states regarding the mutual exchange, return, and transportation of persons with a mental illness or developmental disability who are within the confines of one state but have legal residence or legal settlement for the purposes of relief in another state. Any agreement entered into under this subdivision must not contain any provision that conflicts with any state law.

Subd. 7. **Acceptance of voluntary, uncompensated services.** For the purpose of carrying out a duty, the executive board may accept uncompensated and voluntary services and may enter into contracts or agreements with private or public agencies, organizations, or persons for uncompensated and voluntary services as the executive board deems practicable. Uncompensated and voluntary services do not include services mandated by licensure and certification requirements for health care facilities. The volunteer agencies, organizations, or persons who provide services to residents of state facilities operated under the authority of the executive board are not subject to the procurement requirements of chapters 16A and 16C.

Subd. 8. **Biennial estimates; suggestions for legislation.** The executive board shall prepare, for the use of the legislature, biennial estimates of appropriations necessary or expedient to be made for the support of

the institutions and for extraordinary and special expenditures for buildings and other improvements. The executive board shall make suggestions relative to legislation for the benefit of the institutions. The executive board shall report the estimates and suggestions to the legislature on or before November 15 in each even-numbered year. A designee of the executive board on request shall appear before any legislative committee and furnish any required information in regard to the condition of any such institution.

Subd. 9. **Public notice of admission metrics.** (a) By January 1, 2026, the Direct Care and Treatment executive board must publish on the agency's website a publicly accessible dashboard regarding referrals under section 253B.10, subdivision 1, paragraph (b).

(b) The dashboard required under paragraph (a) must include data on:

(1) how many individuals are on the wait lists;

(2) the length of the shortest, longest, and average wait times for admission to Direct Care and Treatment facilities;

(3) the number of referrals, admissions, and wait lists and the length of time individuals have spent on wait lists; and

(4) framework categories and referral sources.

(c) Any published data must be de-identified.

(d) Data on the dashboard is public data under section 13.03.

(e) The executive board must update the dashboard quarterly.

(f) The executive board must also include relevant admissions policies and contact information for the Direct Care and Treatment central preadmissions office on the agency's website.

(g) The executive board must provide information about an individual's relative placement on the wait list to the individual or the individual's legal representative, consistent with section 13.04. Information about the individual's relative placement on the wait list must be designated as confidential under section 13.02, subdivision 3, if the information jeopardizes the health or well-being of the individual.

History: *(4427) RL s 1883; 1945 c 228 s 1; 1949 c 638 s 1; 1965 c 45 s 20; 1969 c 540 s 11; 1978 c 560 s 2; 1983 c 10 s 1; 1984 c 654 art 5 s 58; 1985 c 21 s 12; 1985 c 248 s 68; 1986 c 444; 1989 c 282 art 6 s 8; 1998 c 386 art 2 s 74; 2005 c 56 s 1; 2013 c 59 art 2 s 6; 2024 c 79 art 1 s 8,11,14; art 10 s 1; 2024 c 125 art 5 s 16,17,22,38; 2024 c 127 art 50 s 16,17,22,38; 1Sp2025 c 9 art 5 s 3*

246C.08 CHIEF EXECUTIVE OFFICER; SERVICE; DUTIES.

Subdivision 1. **Service.** (a) The Direct Care and Treatment chief executive officer is appointed by the executive board, in consultation with the governor, and serves at the pleasure of the executive board, with the advice and consent of the senate.

(b) The chief executive officer shall serve in the unclassified service in accordance with section 43A.08. The Compensation Council under section 15A.082 shall establish the salary of the chief executive officer.

Subd. 2. **Powers and duties.** (a) The chief executive officer's primary duty is to assist the executive board. The chief executive officer is responsible for the administrative and operational management of the agency.

(b) The chief executive officer shall have all the powers of the executive board unless the executive board directs otherwise. The chief executive officer shall have the authority to speak for the executive board and Direct Care and Treatment within and outside the agency.

(c) In the event that a vacancy occurs for any reason within the chief executive officer position, the executive medical director appointed under section 246C.09 shall immediately become the temporary chief executive officer until the executive board appoints a new chief executive officer. During this period, the executive medical director shall have all the powers and authority delegated to the chief executive officer by the board and specified in this chapter.

History: *2024 c 79 art 10 s 2; 2024 c 125 art 5 s 23; 2024 c 127 art 50 s 23*

246C.09 OFFICE OF EXECUTIVE MEDICAL DIRECTOR.

Subdivision 1. **Established.** The Office of Executive Medical Director within Direct Care and Treatment is established.

Subd. 2. **Executive medical director.** The executive board shall appoint, and unless otherwise established by law, set the salary of a licensed physician to serve as executive medical director to assist in establishing and maintaining the medical policies of Direct Care and Treatment. The executive board may place the executive medical director's position in the unclassified service if the position meets the criteria of section 43A.08, subdivision 1a. The executive medical director must be a psychiatrist certified by the Board of Psychiatry.

Subd. 3. **Duties.** The executive medical director shall:

(1) oversee the clinical provision of inpatient mental health services provided in the state's regional treatment centers;

(2) recruit and retain psychiatrists to serve on the Direct Care and Treatment medical staff established in subdivision 4;

(3) consult with the executive board, the chief executive officer, and community mental health center directors to develop standards for treatment and care of patients in state-operated service programs;

(4) develop and oversee a continuing education program for members of the medical staff; and

(5) participate and cooperate in the development and maintenance of a quality assurance program for state-operated services that assures that residents receive continuous quality inpatient, outpatient, and postdischarge care.

Subd. 4. **Direct Care and Treatment medical staff.** (a) The executive medical director shall establish a Direct Care and Treatment medical staff which shall be under the clinical direction of the Office of Executive Medical Director.

(b) The executive medical director, in conjunction with the medical staff, shall:

(1) establish standards and define qualifications for physicians who care for residents in state-operated services;

(2) monitor the performance of physicians who care for residents in state-operated services; and

(3) recommend to the executive board changes in procedures for operating state-operated service facilities that are needed to improve the provision of medical care in those facilities.

History: *1989 c 282 art 4 s 62; 1Sp2003 c 14 art 6 s 23-25; 2024 c 79 art 1 s 4-7; art 10 s 1; 2024 c 125 art 5 s 14,38,43; 2024 c 127 art 50 s 14,38,43*

246C.091 DIRECT CARE AND TREATMENT ACCOUNTS.

Subdivision 1. **Gifts, grants, and contributions account.** (a) A gifts, grants, and contributions account is created in the special revenue fund in the state treasury. All money received by the executive board as a gift, grant, or contribution must be deposited in the gifts, grants, and contributions account. Beginning July 1, 2025, except as provided in paragraph (b), money in the account is annually appropriated to the Direct Care and Treatment executive board to accomplish the purposes of this chapter. Gifts, grants, or contributions received by the executive board exceeding current agency needs must be invested by the State Board of Investment in accordance with section 11A.24. Disbursements from the gifts, grants, and contributions account must be made in the manner provided for the issuance of other state payments.

(b) If the gift or contribution is designated for a certain person, institution, or purpose, the Direct Care and Treatment executive board must use the gift or contribution as specified in accordance with the conditions of the gift or contribution if compatible with the best interests of the person and the state. If a gift or contribution is accepted for the use and benefit of a person with a developmental disability, including those within a state hospital, research relating to persons with a developmental disability must be considered an appropriate use of the gift or contribution. Such money must not be used for any structures or installations which by their nature would require state expenditures for their operation or maintenance without specific legislative enactment.

Subd. 2. **Facilities management account.** A facilities management account is created in the special revenue fund of the state treasury. Beginning July 1, 2025, money in the account is appropriated to the Direct Care and Treatment executive board and may be used to maintain buildings, acquire facilities, renovate existing buildings, or acquire land for the design and construction of buildings for Direct Care and Treatment use. Money received for maintaining state property under control of the executive board may be deposited into this account.

Subd. 3. **Direct Care and Treatment systems account.** (a) The Direct Care and Treatment systems account is created in the special revenue fund of the state treasury. Beginning July 1, 2025, money in the account is appropriated to the Direct Care and Treatment executive board and may be used for security systems and information technology projects, services, and support under the control of the executive board.

(b) The commissioner of human services shall transfer all money allocated to the Direct Care and Treatment systems projects under section 256.014 to the Direct Care and Treatment systems account by June 30, 2026.

Subd. 4. **Cemetery maintenance account.** The cemetery maintenance account is created in the special revenue fund of the state treasury. Money in the account is appropriated to the executive board for the maintenance of cemeteries under control of the executive board. Money allocated to Direct Care and Treatment cemeteries may be transferred to this account.

History: *2024 c 125 art 5 s 24; 2024 c 127 art 50 s 24*

246C.10 FORENSIC SERVICES.

(a) The executive board shall create and maintain forensic services programs.

(b) The executive board must provide forensic services in coordination with counties and other vendors.

(c) Forensic services must include specialized inpatient programs at secure treatment facilities, consultive services, aftercare services, community-based services and programs, transition services, nursing home services, or other services consistent with the mission of Direct Care and Treatment.

(d) The executive board may adopt rules to carry out the provision of this section and to govern the operation of the services and programs under the direct administrative authority of the executive board.

History: *1Sp2003 c 14 art 6 s 21; 2013 c 59 art 2 s 3; 2024 c 79 art 1 s 24; art 10 s 2; 2024 c 125 art 5 s 36; 2024 c 127 art 50 s 36*

246C.11 STATE-OPERATED, COMMUNITY-BASED PROGRAMS.

Subdivision 1. **State-operated, community-based programs established.** The executive board shall establish and maintain a system of state-operated, community-based programs for persons with developmental disabilities.

Subd. 2. **State-operated, community-based program definition.** For purposes of this section, "state-operated, community-based program" means a program administered by the state to provide treatment and habilitation in noninstitutional community settings to a person with a developmental disability.

Subd. 3. **Comprehensive system of services.** The establishment of state-operated, community-based programs must be within the context of a comprehensive definition of the role of state-operated services in the state. The role of state-operated services must be defined within the context of a comprehensive system of services for persons with developmental disability.

Subd. 4. **Types of state-operated, community-based programs.** State-operated, community-based programs may include but are not limited to community group homes, foster care, supportive living services, day training and habilitation programs, and respite care arrangements.

Subd. 4a. **Location of programs.** (a) In determining the location of state-operated, community-based programs, the needs of the individual client shall be paramount. The executive board shall also take into account:

(1) prioritization of services in state-operated, community-based programs for individuals with complex behavioral needs that cannot be met by private community-based providers;

(2) choices made by individuals who chose to move to a more integrated setting, and shall coordinate with the lead agency to ensure that appropriate person-centered transition plans are created;

(3) the personal preferences of the persons being served and their families as determined by Minnesota Rules, parts 9525.0004 to 9525.0036;

(4) the location of the support services established by the individual service plans of the persons being served;

(5) the appropriate grouping of the persons served;

(6) the availability of qualified staff;

(7) the need for state-operated, community-based programs in the geographical region of the state; and

(8) a reasonable commuting distance from a regional treatment center or the residences of the program staff.

(b) The executive board must locate state-operated, community-based programs in coordination with the commissioner of human services according to section 252.28.

Subd. 5. **Technical training; community-based programs.** (a) In conjunction with the discharge of persons from regional treatment centers and their admission to state-controlled and privately operated community-based programs, the executive board may provide technical training assistance to the community-based programs. The executive board may apply for and accept money from any source including reimbursement charges from the community-based programs for reasonable costs of training. Money received must be deposited in the general fund and is appropriated annually to the executive board for training under this section.

(b) The executive board must coordinate with the commissioner of human services to provide technical training assistance to community-based programs under this section and section 245.073.

Subd. 6. **Authority to develop services with counties.** (a) State-operated, community-based programs may be developed in conjunction with existing county responsibilities and authorities for persons with developmental disabilities. Assessment, placement, screening, case management responsibilities, and determination of need procedures must be consistent with county responsibilities established under law and rule.

(b) Counties may enter into shared service agreements with state-operated programs.

History: *1988 c 689 art 2 s 109; 1989 c 282 art 6 s 21; 2005 c 56 s 1; 2024 c 79 art 1 s 25,29; art 10 s 1; 2024 c 125 art 5 s 37,38; 2024 c 127 art 50 s 37,38; 1Sp1993 c 1 art 7 s 34; 2024 c 79 art 4 s 2; 2025 c 38 art 3 s 38,86*

246C.12 REQUIRED INPATIENT SERVICES.

Subdivision 1. **Availability of inpatient services.** The executive board shall make sufficient regional treatment center inpatient services available to adults with mental illness throughout the state who need this level of care. Inpatient services may be provided either on the regional treatment center campus or at any state facility or program as defined in section 246.50, subdivision 3. Services must be as close to the patient's county of residence as possible. Regional treatment centers are responsible to:

(1) provide acute care inpatient hospitalization;

(2) stabilize the medical and mental health condition of the adult requiring the admission;

(3) improve functioning to the point where discharge to community-based mental health services is possible;

(4) strengthen family and community support; and

(5) facilitate appropriate discharge and referrals for follow-up mental health care in the community.

Subd. 2. **Quality of service.** The executive board shall biennially determine the needs of all adults with mental illness who are served by regional treatment centers or at any state facility or program as defined in section 246.50, subdivision 3, by administering a client-based evaluation system. The client-based evaluation system must include at least the following independent measurements: behavioral development assessment; habilitation program assessment; medical needs assessment; maladaptive behavioral assessment; and

vocational behavior assessment. The executive board shall propose staff ratios to the legislature for the mental health and support units in regional treatment centers as indicated by the results of the client-based evaluation system and the types of state-operated services needed. The proposed staffing ratios shall include professional, nursing, direct care, medical, clerical, and support staff based on the client-based evaluation system. The executive board shall recompute staffing ratios and recommendations on a biennial basis.

Subd. 3. **Transition to community.** Regional treatment centers must plan for and assist clients in making a transition from regional treatment centers and other inpatient state facilities as defined in section 246.50, subdivision 3, to other community-based services. In coordination with the client's case manager, if any, regional treatment centers must also arrange for appropriate follow-up care in the community during the transition period. Before a client is discharged, the regional treatment center must notify the client's case manager, so that the case manager can monitor and coordinate the transition and arrangements for the client's appropriate follow-up care in the community.

Subd. 4. **Staff safety training.** The executive board shall require all staff in mental health and support units at regional treatment centers who have contact with children or adults with mental illness to be appropriately trained in violence reduction and violence prevention and shall establish criteria for such training. Training programs shall be developed with input from consumer advocacy organizations and shall employ violence prevention techniques as preferable to physical interaction.

Subd. 5. **Need for services.** (a) The executive board shall determine the need for the psychiatric services provided by the agency based upon individual needs assessments of persons in the state-operated services as required by subdivision 2 and an evaluation of: (1) state-operated services programs, (2) programs needed in the region for persons who require hospitalization, and (3) available epidemiologic data.

(b) Throughout its planning and implementation, the executive board must discuss the determination of need for psychiatric services provided by the agency with the State Advisory Council on Mental Health in accordance with the council's duties under section 245.697.

(c) The executive board must consider continuing evaluation of the information described in paragraph (a) when planning for and implementing changes in state-operated programs and facilities for persons with mental illness. The executive board may consider expansion of state-operated programs and facilities only after a thorough analysis of the need for additional psychiatric services provided by the agency and in conjunction with a comprehensive mental health plan.

Subd. 6. **Admission and stay criteria; dissemination.** (a) The executive board shall establish standard admission and continued-stay criteria for state-operated services facilities to ensure that appropriate services are provided in the least restrictive setting.

(b) The executive board shall periodically disseminate criteria for admission and continued stay in a state-operated services facility. The executive board shall disseminate the criteria to the courts of the state and counties.

History: *1987 c 403 art 2 s 29; 1989 c 282 art 4 s 21; art 6 s 26; 1990 c 568 art 5 s 8; 1Sp1993 c 1 art 7 s 6; 1Sp2001 c 9 art 9 s 9; 2002 c 277 s 2; 2002 c 379 art 1 s 113; 1Sp2003 c 14 art 6 s 41; 2024 c 79 art 1 s 1,2; art 10 s 1,3; 2024 c 125 art 5 s 38; 2024 c 127 art 50 s 38; 2025 c 38 art 3 s 33; art 8 s 54*

246C.13 MINNESOTA SEX OFFENDER PROGRAM.

The Direct Care and Treatment executive board shall establish and maintain the Minnesota Sex Offender Program. The program shall provide specialized sex offender assessment, diagnosis, care, treatment, supervision, and other services to civilly committed sex offenders as defined in section 246B.01, subdivision

1a. Services may include specialized programs at secure treatment facilities as defined in section 253D.02, subdivision 13, consultative services, aftercare services, community-based services and programs, transition services, or other services consistent with the mission of Direct Care and Treatment.

History: *1Sp1993 c 1 art 7 s 28; 1Sp1994 c 1 art 2 s 26; 1Sp2003 c 14 art 6 s 34; 2008 c 326 art 2 s 2; 2009 c 111 s 8; 2010 c 300 s 5; 2013 c 49 s 22; 2024 c 79 art 10 s 1,3; 2024 c 125 art 5 s 38,42; 2024 c 127 art 50 s 38,42*

246C.14 INDIANS, FACILITIES FOR TREATMENT.

The executive board must provide adequate treatment facilities for tubercular Indians who are residents of Minnesota, for poor relief purposes.

History: *1961 c 122 s 1; 1984 c 654 art 5 s 58; 2024 c 79 art 1 s 27; art 10 s 1; 2024 c 125 art 5 s 38; 2024 c 127 art 50 s 38*

246C.15 PROVISION OF FIREARMS AND EXPLOSIVES BACKGROUND CHECK INFORMATION.

Notwithstanding section 253B.23, subdivision 9, the Direct Care and Treatment executive board shall provide commitment information to local law enforcement agencies on an individual request basis by means of electronic data transfer from Direct Care and Treatment through the Minnesota Crime Information System for the sole purpose of facilitating a firearms background check under section 624.7131, 624.7132, or 624.714, or an explosives background check under section 299F.73, 299F.74, 299F.75, 299F.77, or 299F.785. The information to be provided is limited to whether the person has been committed under chapter 253B and, if so, the type of commitment.

History: *1994 c 618 art 1 s 26; 1994 c 636 art 3 s 2; 1995 c 207 art 8 s 1; 2012 c 266 s 2; 2024 c 79 art 10 s 1,3; 2024 c 125 art 5 s 38,42; 2024 c 127 art 50 s 38,42*

246C.16 PROPERTY MANAGEMENT.

Subdivision 1. **Leases for state-operated, community-based programs.** (a) Notwithstanding section 16B.24, subdivision 6, paragraph (a), or any other law to the contrary, the commissioner of administration may lease land or other premises to provide state-operated, community-based programs authorized by sections 246C.02, and 246C.11 for a term of 20 years or less, with a ten-year or less option to renew, subject to cancellation upon 30 days' notice by the state for any reason, except rental of other land or premises for the same use.

(b) The commissioner of administration may also lease land or premises from political subdivisions of the state to provide state-operated, community-based programs authorized by sections 246C.02, and 246C.11 for a term of 20 years or less, with a ten-year or less option to renew. A lease under this paragraph may be canceled only due to the lack of a legislative appropriation for the program.

Subd. 2. **Money collected as rent; state property.** (a) Notwithstanding any law to the contrary, money collected as rent under section 16B.24, subdivision 5, for state property at any of the regional treatment centers or state nursing home facilities administered by the Direct Care and Treatment executive board is dedicated to the regional treatment center or state nursing home from which it is generated. Any balance remaining at the end of the fiscal year shall not cancel and is available until expended.

(b) The executive board may lease out any buildings or portions of buildings, units, or lands acquired by the department that are not needed for the uses and purposes of the department. Such authority to lease

out buildings, units, and lands includes authority to lease to employees of the department, notwithstanding section 16B.24, subdivision 5, paragraph (c). The executive board may set the prices and terms and conditions for leases under this paragraph and shall not make any such lease for a term of more than five years. All money received from leases under this paragraph shall be credited to the fund from which the property was acquired or through which the property is being maintained. Money credited for leased property maintenance is appropriated to the executive board for that purpose.

(c) The executive board may lease out any buildings or portions of buildings, units, or lands acquired by the department to clients and employees of the department for the provision of community-based services, notwithstanding section 16B.24, subdivision 5, paragraph (c). The executive board may set the prices and terms and conditions for leases under this paragraph, and shall not make any such lease for a term of more than five years. All money received from leases under this paragraph shall be credited to the fund from which the property was acquired or through which the property is being maintained. Money credited for leased property maintenance is appropriated to the executive board for that purpose.

Subd. 3. **Use of space in institutions.** The executive board may use available space in any institution under jurisdiction of the executive board, or in any institution under the jurisdiction of another department or agency of the state offered by executive or legislative action to the executive board for the care and custody of persons, patients, or inmates of the institutions under exclusive control of the executive board for whom other, more suitable, space is not available.

Subd. 4. **Compromise of claims.** The executive board may settle any disagreement between the executive board and any person claiming a right, interest, estate, or lien in or upon lands or improvements on such land occupied by or used in connection with any state institution, or any claim by a person for damages to any such land or improvements with the approval of the governor and the commissioner of management and budget. In entering a settlement, the executive board may make any necessary conveyance of land. All money received by the executive board as a part of any such settlement must be paid into the general fund.

Subd. 5. **Authorization to build or purchase.** (a) Within the limits of available appropriations, the executive board may build, purchase, or lease suitable buildings, at least a portion of which must be used for state-operated, community-based programs. The executive board must develop the state-operated community residential facilities authorized in the worksheets of the house of representatives appropriations and senate finance committees. If financing through state general obligation bonds is not available, the executive board shall finance the purchase or construction of state-operated, community-based facilities with the Minnesota Housing Finance Agency. The executive board shall make payments through the Department of Administration to the Minnesota Housing Finance Agency in repayment of mortgage loans granted for the purposes of this section.

(b) Programs must be adaptable to the needs of persons with developmental disabilities and residential programs must be homelike.

History: *(4438; 4449) RL s 1890; RL s 1900; 1953 c 515 s 1; 1957 c 261 s 1; 1961 c 750 s 14 subd 1; 1967 c 839 s 5; 1969 c 399 s 49; 1973 c 492 s 14; 1984 c 654 art 5 s 58; 1986 c 444; 1988 c 689 art 2 s 109; 1989 c 282 art 6 s 21; 1990 c 568 art 2 s 37; 1991 c 292 art 6 s 41; 1992 c 513 art 9 s 22; 1Sp1993 c 1 art 7 s 1; 2005 c 20 art 1 s 37; 2005 c 56 s 1; 2006 c 258 s 38; 2009 c 101 art 2 s 109; 2013 c 59 art 2 s 2; 2023 c 61 art 8 s 4,12; 2024 c 79 art 1 s 10,12,28; art 10 s 1,2,3; 2024 c 125 art 5 s 38; 2024 c 127 art 50 s 38*

246C.18 FUNDING, REDESIGNS, AND CLOSURES.

Subdivision 1. **Notification to legislature required.** The executive board shall notify the chairs and ranking minority members of the relevant legislative committees regarding the redesign, closure, or relocation of state-operated services programs.

Subd. 2. **Closure of regional treatment centers.** (a) The executive board is prohibited from closing any regional treatment center or state-operated nursing home or any program at any of the regional treatment centers or state-operated nursing homes, without specific legislative authorization.

(b) Prior to closing or downsizing a regional treatment center, the executive board is responsible for assuring that community-based alternatives developed in response are adequate to meet the program needs identified by each county within the catchment area and do not require additional local county property tax expenditures.

(c) The nonfederal share of the cost of alternative treatment or care developed as the result of the closure of a regional treatment center, including costs associated with fulfillment of responsibilities under chapter 253B must be paid from state money appropriated for purposes specified in section 246C.11.

Subd. 3. **Diversion of money prohibited.** The executive board must not divert state money used for providing for care or treatment of persons residing in a regional treatment center for purposes unrelated to the care and treatment of such persons.

Subd. 4. **Legislative approval required.** If the closure of a state-operated facility is proposed, and the executive board and respective bargaining units fail to arrive at a mutually agreed upon solution to transfer affected state employees to other state jobs, the closure of the facility requires legislative approval.

Subd. 5. **Services to families after closure or redesign.** (a) The executive board shall publicize the planned changes to the facilities operated by the executive board. A parent, other involved family member, private guardian, or health care agent of a resident of a facility must be notified of the changes planned for each facility. When new services developed for a person require the person to move, the executive board shall provide each parent, family member, health care agent, and guardian of that person with the following:

(1) names and telephone numbers of the state and county contacts;

(2) information on types of services to be developed;

(3) information on how the individual planning process works, including how alternative placements will be determined, and how family members can be involved;

(4) information on the process to be followed when a parent, other family member, health care agent, or guardian disagrees with the proposed services; and

(5) a list of additional resources such as advocates, local volunteer coordinators, and family groups.

(b) At least one staff person in each facility must be available to provide information about:

(1) community placements;

(2) the opportunity for interested family members, guardians, and health care agents to participate in program planning; and

(3) family support groups.

History: *1989 c 282 art 6 s 10; 1992 c 513 art 9 s 18; 1Sp1993 c 1 art 7 s 24; 2005 c 56 s 1; 2009 c 108 s 6; 1Sp2010 c 1 art 19 s 5,6; 2013 c 59 art 2 s 7; 2014 c 262 art 3 s 8; 2023 c 50 art 1 s 19; 2024 c 79 art 1 s 3,9; art 10 s 1,3; 2024 c 125 art 4 s 2; art 5 s 38; 2024 c 127 art 49 s 2; art 50 s 38*

246C.19 PHYSICAL EXAMINATIONS FOR EMPLOYMENT REQUIRED.

Any state institution under the direction of the executive board must not hire a new employee, whether the potential employee is certified for employment by the state Department of Management and Budget or otherwise selected, unless the potential employee provides verification to the head of the state institution or a designee, in a form determined by the executive board, that the potential employee has undergone physical examination and testing establishing that the potential employee is free of tuberculosis.

History: *1941 c 479 s 1; 1953 c 593 s 2; 1973 c 507 s 45; 1980 c 617 s 47; 1984 c 654 art 5 s 58; 1986 c 444; 2008 c 204 s 42; 2009 c 101 art 2 s 109; 2024 c 79 art 1 s 13; art 10 s 1; 2024 c 125 art 5 s 38; 2024 c 127 art 50 s 38*

246C.191 REGIONAL CENTER AND COMMUNITY-BASED FACILITY EMPLOYEES.

In accordance with section 43A.21, the executive board shall develop procedures to assure that:

(1) there are workers employed at state regional centers and nursing homes who are skilled in the treatment of persons with severe and profound developmental disabilities, behavioral problems, and medical needs to facilitate adjustment to community living;

(2) suitable training programs exist for regional treatment center and state-operated, community-based residential facility staff; and

(3) state employees under the jurisdiction of the executive board who are included in a position reduction plan have the option of transferring to a community-based program; to a similar, comparable classification in another regional center setting; or to a position in another state agency.

History: *1988 c 689 art 2 s 110; 2005 c 56 s 1; 2024 c 79 art 10 s 3; 2025 c 38 art 3 s 86*

246C.20 CONTRACT WITH DEPARTMENT OF HUMAN SERVICES FOR ADMINISTRATIVE SERVICES.

(a) Direct Care and Treatment shall contract with the Department of Human Services to provide determinations on issues of county of financial responsibility under chapter 256G and to provide administrative and judicial review of direct care and treatment matters according to section 256.045.

(b) The executive board may prescribe rules necessary to carry out this section, except that the executive board must not create any rule purporting to control the decision making or processes of state human services judges under section 256.045, subdivision 4, or the decision making or processes of the commissioner of human services issuing an advisory opinion or recommended order to the executive board under section 256G.09, subdivision 3. The executive board must not create any rule purporting to control processes for determinations of financial responsibility under chapter 256G or administrative and judicial review under section 256.045 on matters outside of the jurisdiction of Direct Care and Treatment.

(c) The executive board and commissioner of human services may adopt joint rules necessary to accomplish the purposes of this section.

History: *2024 c 79 art 1 s 26; 2024 c 125 art 5 s 43; 2024 c 127 art 50 s 43; 2025 c 38 art 3 s 34*

246C.21 INTERVIEW EXPENSES.

Job applicants for professional, administrative, or highly technical positions recruited by the Direct Care and Treatment executive board may be reimbursed for necessary travel expenses to and from interviews arranged by the Direct Care and Treatment executive board.

History: *2025 c 38 art 3 s 35*

246C.211 FEDERAL GRANTS FOR MINNESOTA INDIANS.

The Direct Care and Treatment executive board is authorized to enter into contracts with the United States Departments of Health and Human Services; Education; and Interior, Bureau of Indian Affairs, for the purposes of receiving federal grants for the welfare and relief of Minnesota Indians.

History: *2025 c 38 art 3 s 36*