

## S.F. No. 4410 – HSR Spending Omnibus (1<sup>st</sup> Engrossment)

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### ARTICLE 1

#### COMMUNITY SUPPORTS

**Section 1 (252.275, subdivision 4c)** modifies the allocation of county grants for the semi-independent living services program by carrying forward any unexpended allocations to the next fiscal year and reallocating the carried forward amount for grants to the Minnesota Centers for Independent Living.

**Section 2 (252.275, subdivision 8)** deletes obsolete language related to prior payment adjustments for the semi-independent living services program.

**Section 3 (256.4795)** establishes a residential setting closure prevention grant program to assist nursing facilities, certain assisted living facilities, ICF/DDs, adult foster care settings, community residential settings, and integrated community supports setting in financial distress stay open at least long enough to comply with applicable termination of service requirements.

**Section 4 (256B.0659, subdivision 1, paragraph (i))** modifies the definition of instrumental activities of daily living for the purposes of the PCA program, resulting in driving and accompanying a service recipient while traveling being a reimbursable activity.

**Section 5 (256B.0659, subdivision 12)** requires documentation of driving and travel provided by PCAs.

**Section 6 (256B.0659, subdivision 17a)** modifies the existing enhanced rate for PCA services provided to individuals assessed to require 10 or more hours of services per day by establishing a sliding rate from the existing 107.5% for 10 hours of service to 125% for individuals assessed to need 18 or more hours of service a day.

**Section 7 (256B.0659, subdivision 19)** requires a PCA recipient using the PCA choice program to ensure that a PCA driving the recipient has a valid driver's license and the vehicle driven is insured.

**Section 8 (256B.0659, subdivision 24)** requires a PCA provider agency to ensure that a PCA driving the recipient has a valid driver's license and the vehicle driven is insured.

**Section 9 (256B.49, subdivision 28)** expands an existing moratorium on new licenses for customized living settings to include an exception for a new license for existing providers who move the service setting to a new address.

**Section 10 (256B.4909)** establish a framework for homemaker services provided under the disability waivers, EW, AC, and ECS.

**Section 11 (256B.4911, subdivision 6)** modifies the requirements of the CDCS option under the alternative care program, the disability waivers, the elderly waiver, and the Minnesota senior health option by increasing the number of hours of service in a week parents may provide to their minor child or spouses to their spouse.

**Section 12 (256B.4914, subdivision 5)** modifies DWRS by adding an additional base wage update in 2023, and modifying the dates and data used for already enacted future base wage adjustments. *NOTE:* Additional changes to DWRS appear later in this article beginning with section 23.

**Section 13 (256B.4914, subdivision 8)** increases from two to three the number of recipients who may share individualized home supports with training or individualized home supports with family training.

**Section 14 (256B.4914, subdivision 9)** increases from two to three the number of recipients who may share individualized home supports without training.

**Section 15 (256B.5012, subdivision 19)** increases all ICF/DD daily payment rates by \$50 effective July 1, 2022.

**Section 16 (256B.5012, subdivision 20)** after the application of \$50 daily rate increase for ICF/DDs described in section 256B.5012, subdivision 19, establishes a daily payment floor of \$300 for class A facilities and \$400 for class B facilities.

**Section 17 (256B.85, subdivision 7)** makes conforming changes related to the CFSS parent and spouse service hour modifications in 256B.85, subdivision 7b.

**Section 18 (256B.85, subdivision 7a)** modifies the existing enhanced rate for CFSS services provided to individuals assessed to require 10 or more hours of services per day by establishing a sliding rate from the existing 107.5% for 10 hours of service to 125% for individuals assessed to need 18 or more hours of service a day.

**Section 19 (256B.85, subdivision 7b)** modifies the requirements of CFSS by increasing the number of hours of service in a week parents may provide to their minor child or spouses to their spouse.

**Section 20 (256B.851, subdivision 5)** increases PCA and CFSS payment rates by increasing the implementation factor by 8 percentage points.

**Section 21 (256I.05, Subdivision 1s)** permits Douglas County to negotiate a supplemental rate for a housing support provider.

**Section 22 (Laws 2014, chapter 312, article 27, section 75)** repeals the DT&H county grants

enacted in 2014.

**Section 23 (Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision 1)** reduces the fiscal year 2023 general fund appropriation to the commissioner of human services to account for the repeal of the DT&H county grants.

**Section 24 (Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision 29)** makes a conforming change with respect to the fiscal year 2023 general fund reduction to account for the repeal of the DT&H county grants.

**Section 25 (Laws 2021, First Special Session chapter 7, article 17, section 14)** modifies the membership and the duties of the task force on subminimum wages.

**Section 26 (Laws 2022, chapter 33, 256B.4914, subdivision 3)** makes a conforming change related to establishing a market rate for respite services provided under the disability waivers.

**Section 27 (Laws 2022, chapter 33, 256B.4914, subdivision 4)** makes a conforming change related to establishing a market rate for respite services provided under the disability waivers.

**Section 28 (Laws 2022, chapter 33, 256B.4914, subdivision 5a, clause (14))** modifies the rates for employment exploration services by setting them equal to employment development services

**Clause (18)** makes a conforming change related to establishing a market rate for respite services provided under the disability waivers.

**Section 29 (Laws 2022, chapter 33, 256B.4914, subdivision 5b)** modifies DWRS by adding an additional adjustment to certain component values in 2023, and modifying the dates and data used for already enacted future adjustments to those component values.

**Section 30 (Laws 2022, chapter 33, 256B.4914, subdivision 5c)** makes a conforming change related to fully implementing the competitive workforce factor.

**Section 31 (Laws 2022, chapter 33, 256B.4914, subdivision 5d)** makes a conforming change related to fully implementing the competitive workforce factor.

**Section 32 (Laws 2022, chapter 33, 256B.4914, subdivision 5f)** effective beginning January 1, 2023, fully implements on a rolling basis the competitive workforce factor (CWF) within the DWRS framework, requires a biennial update, and limits future reductions in the CWF.

**Section 33 (Laws 2022, chapter 33, 256B.4914, subdivision 10)** makes a conforming change related to establishing a market rate for respite services provided under the disability waivers.

**Section 34 (Laws 2022, chapter 33, 256B.4914, subdivision 10a)** makes a conforming change related to establishing a market rate for respite services provided under the disability waivers.

**Section 35 (Laws 2022, chapter 33, 256B.4914, subdivision 10c)** removes the requirement that the commissioner of human services make recommendations to the legislature regarding the implementation of the competitive workforce factor since the competitive workforce factor is fully implemented in section 256B.4914, subdivision 5f.

**Section 36 (Laws 2022, chapter 33, 256B.4914, subdivision 12)** makes a conforming change related to establishing a market rate for respite services provided under the disability waivers.

**Section 37 (Laws 2022, chapter 33, 256B.4914, subdivision 14)** makes a conforming change related to establishing a market rate for respite services provided under the disability waivers.

**Section 38 (Laws 2022, chapter 40, section 6)** extends the temporary staffing pool passed this session from June 30, 2022, to June 30, 2023, and modifies the eligible settings to which temporary staff may be deployed to include the homes of certain individuals receiving home and community-based services.

**Section 39 (Laws 2022, chapter 40, section 7)** increases the appropriation for the temporary staffing pool.

**Section 40 (PERSONAL CARE ASSISTANCE ENHANCED RATE FOR PERSONS WHO USE CONSUMER-DIRECTED COMMUNITY SUPPORTS)** makes a conforming change related to the enhanced rates for CFSS and PCA services provided to people assessed to need ten or more hours of service to ensure that individuals using a self-directed option have adequate budgets to pay their employees the enhanced rate.

**Section 41 (RATE INCREASE FOR CERTAIN HOME CARE SERVICES)** establishes a 14% rate increase for home health aide visits. Also requires the commissioner to determine from within the available appropriation equal percentage increases for respiratory therapy services, home health services and home care nursing.

**Section 42 (DIRECTION TO THE COMMISSIONER; APPLICATION OF ICF/DD RATE INCREASES)** clarifies for the commissioner the order in which to apply the ICF/DD rate increases included elsewhere in this article.

**Section 43 (DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; DISABILITY WAIVER SHARED SERVICES RATES)** requires the commissioner to provide a rate system for shared homemaker and chore services provided under the disability waivers.

**Section 44 (DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; LIFE-SHARING SERVICES)** directs the commissioner of human services to develop a life sharing service model as a covered waiver service.

**Section 45 (DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; SHARED SERVICES)** directs the commissioner to submit any required waiver amendments for implementation of the requirements for shared services proposed elsewhere in this article, and to develop guidance for individuals seeking to establish shared service arrangements.

**Section 46 (APPROPRIATION; LIFE-SHARING SERVICES)** appropriates money to the commissioner of human services to develop a covered life sharing service and sets a base appropriation for initial implementation of the service upon enactment of authorizing legislation.

**Section 47 (APPROPRIATION; MINNESOTA ASSOCIATION FOR VOLUNTEER ADMINISTRATION)** appropriates \$100,000 onetime for a grant to Minnesota Association for Volunteer Administration.

**Section 48 (APPROPRIATION; RESIDENTIAL SETTING CLOSURE PREVENTION GRANTS)** appropriates ongoing money for the residential setting closure prevention grants.

**Section 49 (APPROPRIATION; SUPPLEMENTAL RATE TO DOUGLAS COUNTY**

**FACILITY)** appropriates money for the negotiated rate under 256I.05, subdivision 1s.

**Section 50 (REPEALER)** modifies DWRS by repealing the framework rate for respite services, thereby setting a market rate for respite services provided under the disability waivers.

## ARTICLE 2

### CONTINUING CARE FOR OLDER ADULTS

**Section 1 (144G.45, subdivision 7)** permits an assisted living license applicant to request a licensing variance for a proposal to repurpose an existing building in order to meet a critical community need for additional assisted living capacity.

**Sections 2 to 5 and 7 to 11 (256R.02, subdivisions 16, 16a, 24, 24a, 26, 26a, 29, 29a and 34)** modify nursing facility payment rate calculations by recategorize as other care related costs the labor costs associated with various other operating expenses. The result of this change is that these labor costs are not included in the industry-wide other operating payment rate, but instead included in the calculation of the facility specific other care related payment rate.

**Section 6 (256R.02, subdivision 25b)** for the purposes of calculating nursing facility payment rates, defines the known cost change factor as the annual forecasted percentage change in the CPI-U from the mid-point of the reporting year to the mid-point of the rate year.

**Sections 12 to 15 (256R.23, subdivisions 2 and 3, 256R.24, subdivision 1, and 256R.25, paragraph (j))** effective for nursing facility rate year 2024, apply the “known cost change factor” when calculating the direct care cost per standardized day, the other care-related cost per resident day, the other operating cost per days, and the employer health insurance costs portion of the external fixed cost payment rate.

**Section 16 (256S.16, subdivision 2)** requires the commissioner to provide a rate system for shared homemaker and chore services provided under the elderly waiver.

**Section 17 (256S.201, subdivision 3)** makes a conforming change related to full implementation of the elderly waiver rate framework.

**Section 18 (256S.205)** modifies the existing disproportionate share facility rate floor statute by altering the eligibility requirements to allow facilities to count BI and CADI residents toward the facility’s disproportionate share of residents receiving services funded by medical assistance. This section also increases the rate floor *for EW services only* from \$119 dollars per resident per day to \$139 per resident per day.

**Section 19 (256S.21)** makes a conforming change related to full implementation of the elderly waiver rate framework.

**Section 20 (256S.213, subdivision 1)** makes a clarifying change related to determining the value of the payroll taxes and benefits factor within the elderly waiver rate framework.

**Section 21 (NURSING FACILITY FUNDING)** establishes a temporary rate increase for nursing facilities in an amount to be determined by the commissioner, encumbers the rate increase for use to cover increased compensation related costs, defines compensation related costs, and requires a distribution plan for the revenue generated by the temporary rate increase.

**Section 22 (DIRECTION TO THE COMMISSIONER; NURSING FACILITY FUNDING)** directs the commissioner to determine the temporary nursing facility rate increase based on the available appropriation.

**Section 23 (DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; PARTIAL YEAR IMPLEMENTATION OF DISPROPORTIONATE SHARE RATE ADJUSTMENTS)** directs the commissioner to implement the disproportionate share facility rate floor for a partial year between October 1 and December 31, 2022.

**Section 24 (DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; PARTIAL YEAR RATE ADJUSTMENTS)** requires the commissioner to update the elderly waiver rate framework base wage indices, and payroll taxes and benefit factor on July 1, 2022.

**Section 25 (REPEALER)** repeals the existing phase-in of the elderly waiver rate framework.

### **ARTICLE 3**

#### **HEALTH CARE**

**Section 1 (256B.057, subdivision 9, paragraph (e))** modifies the existing medical assistance premium schedule for employed people with disabilities by eliminating the minimum monthly payment of \$35, establishing a revised sliding premium fee scale that begins at 0% of household income below 200% of federal poverty guidelines and increases at varying rates to 7.5% of household income greater than 500% of federal poverty guidelines. Under current law, the premium schedule is the greater of \$35 or a sliding premium scale beginning at 1% of income for enrollee incomes at 100% of federal poverty guidelines and increasing to 7.5% of income for enrollee incomes of 300% or greater of federal poverty guidelines.

**Section 2 (256B.0625, subdivision 17)** establishes a monthly fuel cost adjustor for NEMT reimbursement rates, pegged to \$3.00 per gallon.

**Section 3 (256B.0625, subdivision 17a)** establishes a monthly fuel cost adjustor for ambulance services reimbursement rates, pegged to \$3.00 per gallon.

**Section 4 (DIRECTION TO THE COMMISSIONER; NONEMERGENCY MEDICAL TRANSPORTATION RATES)** establishes NEMT base rate and mileage rate increases in an amount to be determined by the commissioner from within the available \$18 million three-year appropriation for unassisted transport, assisted transport, and lift- or ramp-equipped transport.

### **ARTICLE 4**

#### **BEHAVIORAL HEALTH**

**Section 1 (13.46, subdivision 7)** changes when mental health data must be provided to law enforcement from when a client is involved in an emergency interaction to when the client is involved in a mental health crisis that the law enforcement agency has responded to.

**Sections 2 to 5 (15.01; 15.06, subdivision 1; 15A.0815, subdivision 2; 43A.08, subdivision 1a)** adds the newly created Department of Behavioral Health into the “state government” statutes.

**Section 6 (144.294, subdivision 2)** changes when a provider must disclose mental health records to law enforcement from when a client is involved in an emergency interaction to when the client is

involved in a mental health crisis that the law enforcement agency has responded to.

**Sections 7 and 8 (256T.01-256T.02)** establish a new Department of Behavioral Health, specify the duties of the commissioner of behavior health, instruct the commissioner of administration, with the permission of the governor, to begin the necessary reorganization of state agencies, and instruct the revisor and other agencies to draft legislative changes to give full effect to the establishment of the new department and the transfer of duties in statute.

**Section 9 (297E.02, subdivision 3)** requires the commissioner of human services to transfer the entire amount deposited into the general fund for problem gambling to the state affiliate recognized by the National Council on Problem Gambling by certain dates.

**Section 10 (626.5571, subdivision 1)** adds community corrections agencies and local law enforcement agencies to the multidisciplinary adult protection team.

**Section 11 (626.8477)** requires every state and local law enforcement agency that seeks or uses mental health data or records to have and enforce a written policy that governs its use.

**Section 12 (APPROPRIATION; ANOKA CO. PROVIDER)** appropriates \$125,000 ongoing for a grant to an existing program in Anoka County that provides services to help women with dependent children and who are struggling with substance use to keep stable employment, remain sober, and avoid new criminal convictions.

**Section 13 (APPROPRIATION; OLMSTEAD CO. RCO)** appropriates \$100,000 ongoing for a grant to a recovery community organization in Olmstead County that provides services in an 11-county region.

**Section 14 (APPROPRIATION; ROCHESTER RCO)** appropriates \$53,000 for a grant to a nonprofit recovery community organization located in Rochester that provides pretreatment housing, post-treatment housing, and peer recovery support. Appropriates \$55,000 in fiscal years 2024 and 2025.

**Section 15 (APPROPRIATION; WELLNESS IN THE WOODS)** appropriates \$100,000 ongoing for a grant to Wellness in the Woods for daily peer support and sessions for individuals in substance use recovery.

**Section 16 (APPROPRIATION; ADULT DAY TREATMENT)** appropriates \$261,000 to increase the reimbursement rate for adult day treatment services by 50 percent. Appropriates \$658,000 in fiscal year 2024 and \$692,000 in fiscal year 2025.

**Section 17 (REVISOR INSTRUCTION)** requires the revisor of statutes to prepare legislation proposing necessary statutory changes to implement the transfer of duties to the Department of Behavior Health.

## ARTICLE 5

### CHILD WELFARE

**Section 1 (256K.45, subdivision 6)** adds a reference to provider repair and improvement grants as an allowable use of funds under the Homeless Youth Act.

**Section 2 (256K.45, subdivision 7)** requires grants under the Homeless Youth Act to be used only for authorized activities and prohibits the commissioner from creating additional criteria to access the grant money. Prohibits the commissioner from reducing an existing grant award amount unless it is determined the recipient failed to meet performance measures. Permits recipients to carry over unexpended funds from a first contract year to a second contract year.

**Section 3 (256K.45, subdivision 8)** adds grants up to \$100,000 for repairs or improvements to providers that serve homeless youth or youth at risk of homelessness and prohibits grantees from receiving a grant for two consecutive years.

**Section 4 (Laws 2021, First Special Session, chapter 7, article 16, section 2, subdivision 24)** allocates previously appropriated money for the provider repair or improvement grants under Section 3.

**Section 5 (Laws 2021, First Special Session chapter 8, article 6, section 1, subdivision 7)** changes the date of the final report provided by the Task Force on Shelter from August 31, 2022, to December 15, 2022.

**Section 6 (APPROPRIATION; QUALITY PARENTING INITIATIVE)** appropriates \$100,000 ongoing for a grant to Quality Parenting Initiative Minnesota to implement Quality Parenting Initiative principles and practices to support children and families in foster care placements.

## ARTICLE 6

### ECONOMIC ASSISTANCE

**Section 1 (256E.35, subdivision 1)** adds emergencies to the list of assets that low-income families are incentivized to accrue under the Minnesota family assets for independence initiative.

**Section 2 (256E.35, subdivision 2, paragraph (d))** removes the seven-county metropolitan area limitation from the definition of fiduciary organization under the family assets for independence statute and adds federally recognized Tribal nations and nonprofits organizations to the definition.

**Paragraph (h)** updates the definition of permissible use to include contributions to emergency savings accounts and Minnesota 529 savings plans.

**Section 3 (256E.35, subdivision 4a)** updates the programming a financial coach shall provide to family assets for independence in Minnesota (FAIM) participants to include credit building, saving for emergencies, and saving for a child's education.

**Section 4 (256E.35, subdivision 6)** increases the lifetime limit for matching contributions from state grant and TANF funds and nonstate funds from \$3,000 to \$4,500.

**Section 5 (256E.35, subdivision 7)** adds the amount of contributions made to Minnesota 529 savings plans and emergency savings accounts to the quarterly report provided by fiscal agents of fiduciary organizations participating in the family assets for independence initiative.

**Section 6 (256P.02, subdivision 1a)** excludes vehicles exempted under the vehicle exception and individual development accounts and family assets for independence accounts from being counted toward the asset limit for the child care assistance program.

**Section 7 (256P.02, subdivision 2)** excludes individual development accounts and family assets for



independence accounts from the list of items that are considered personal property for assistance programs under chapter 256P.

**Section 8 [256P.02, subdivision 4]** excludes family asset accounts under the family assets for independence initiative and individual development accounts when determining the equity value of personal property for economic assistance programs.

**Section 9 (256P.03, subdivision 2)** increases the earned income disregard to 60% when calculating assistance payments for economic assistance programs.

**Section 10 (Laws 2021, First Special Session chapter 7, article 14, section 21, subdivision 4)** amends the full-time equivalent calculation for child care providers receiving base grants and holds providers harmless.

**Section 11 (APPROPRIATION; FAIM)** appropriates \$100,000 ongoing for the family assets for independence program.

## ARTICLE 7

### MISCELLANEOUS

**Section 1 (245C.02, subdivision 11f)** modifies the department of human services background studies chapter by adding a definition of a “health care worker platform”, which is an internet platform or similar mechanism for matching health care facilities seeking employees and health care workers seeking employment as contractors.

**Section 2 (245C.02, subdivision 17a)** modifies the definition of “inactive roster” in the department of human services background studies chapter by specifying that individuals determined to be eligible under this chapter after a self-initiated or health care worker platform initiated background studies must remain on the inactive roster for one year.

**Section 3 (245C.03, subdivision 16)** authorizes self-initiated background studies. A similar provision was repealed in 2021.

**Section 4 (245C.03, subdivision 17)** authorizes a health care worker platform to initiate a background study on behalf of an individual.

**Section 5 (245C.04, subdivision 4a)** limits the information of a study subject the commissioner may provide a health care worker platform to only whether the study subject is immediately available to provide services.

**Section 6 (245C.04, subdivision 12)** requires self-initiated background studies to be repeated once a year.

**Section 7 (245C.13, subdivision 13)** requires a background study initiated by a health care worker platform on behalf of an individual to be repeated once a year.

**Section 8 (245C.10, subdivision 22)** establishes the fee for self-initiated background studies at the standard \$42 amount.

**Section 9 (245C.10, subdivision 23)** establishes the fee for background studies initiated by a health care worker platform at the standard \$42 amount.

**Section 10 (256.4791)** establishes a grant program for community organizations to address violence prevention, connect with youth and community members, and provide street outreach services, and also provide trauma-responsive care and access to individual or group therapy services, including community healing.

**Section 11 (EMPLOYMENT FOR PERSONS EXPERIENCING HOMELESSNESS OR SUBSTANCE USE DISORDER)** requires providers of substance use disorder services and homelessness services to incorporate employment services into programs for clients.

**Section 12 (APPROPRIATION; COMMUNITY ORG. GRANT PROGRAM)** appropriates \$100,000 ongoing for the community organizations grant program in section 10.