

1.1 **Senator Utke from the Committee on Health and Human Services Finance and**  
1.2 **Policy, to which was re-referred**

1.3 **S.F. No. 3249:** A bill for an act relating to mental health; creating a mental health provider  
1.4 supervision grant program; modifying adult mental health initiatives; modifying intensive  
1.5 residential treatment services; modifying mental health fee-for-service payment rate;  
1.6 removing county share; creating mental health urgency room grant program; directing the  
1.7 commissioner to develop medical assistance mental health benefit for children; establishing  
1.8 forensic navigator services; appropriating money; amending Minnesota Statutes 2020,  
1.9 sections 245.4661, as amended; 256B.0622, subdivision 5a; Minnesota Statutes 2021  
1.10 Supplement, sections 245I.23, subdivision 19; 256B.0625, subdivisions 5, 56a; proposing  
1.11 coding for new law in Minnesota Statutes, chapters 144; 245; 611; repealing Minnesota  
1.12 Statutes 2020, section 245.4661, subdivision 8.

1.13 Reports the same back with the recommendation that the bill be amended as follows:

1.14 Page 2, after line 24, insert:

1.15 "Sec. 2. Minnesota Statutes 2020, section 144.55, subdivision 4, is amended to read:

1.16 Subd. 4. **Routine inspections; presumption.** Any hospital surveyed and accredited  
1.17 under the standards of the hospital accreditation program of an approved accrediting  
1.18 organization that submits to the commissioner within a reasonable time copies of (a) its  
1.19 currently valid accreditation certificate and accreditation letter, together with accompanying  
1.20 recommendations and comments and (b) any further recommendations, progress reports  
1.21 and correspondence directly related to the accreditation is presumed to comply with  
1.22 application requirements of subdivision 1 and the standards requirements of subdivision 3  
1.23 and no further routine inspections or accreditation information shall be required by the  
1.24 commissioner to determine compliance. Notwithstanding the provisions of sections 144.54  
1.25 and 144.653, subdivisions 2 and 4, hospitals shall be inspected only as provided in this  
1.26 section. The provisions of section 144.653 relating to the assessment and collection of fines  
1.27 shall not apply to any hospital. The commissioner of health shall annually conduct, with  
1.28 notice, validation inspections of a selected sample of the number of hospitals accredited by  
1.29 an approved accrediting organization, not to exceed ten percent of accredited hospitals, for  
1.30 the purpose of determining compliance with the provisions of subdivision 3. If a validation  
1.31 survey discloses a failure to comply with subdivision 3, the provisions of section 144.653  
1.32 relating to correction orders, reinspections, and notices of noncompliance shall apply. The  
1.33 commissioner shall also conduct any inspection necessary to determine whether hospital  
1.34 construction, addition, or remodeling projects comply with standards for construction  
1.35 promulgated in rules pursuant to subdivision 3. The commissioner may also conduct  
1.36 inspections to determine whether a hospital or hospital corporate system continues to satisfy  
1.37 the conditions on which a hospital construction moratorium exception was granted under  
1.38 section 144.551, subdivision 1a. Pursuant to section 144.653, the commissioner shall inspect

2.1 any hospital that does not have a currently valid hospital accreditation certificate from an  
 2.2 approved accrediting organization. Nothing in this subdivision shall be construed to limit  
 2.3 the investigative powers of the Office of Health Facility Complaints as established in sections  
 2.4 144A.51 to 144A.54.

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

2.6 Sec. 3. Minnesota Statutes 2020, section 144.55, subdivision 6, is amended to read:

2.7 **Subd. 6. Suspension, revocation, and refusal to renew.** (a) The commissioner may  
 2.8 refuse to grant or renew, or may suspend or revoke, a license on any of the following grounds:

2.9 (1) violation of any of the provisions of sections 144.50 to 144.56 or the rules or standards  
 2.10 issued pursuant thereto, or Minnesota Rules, chapters 4650 and 4675;

2.11 (2) permitting, aiding, or abetting the commission of any illegal act in the institution;

2.12 (3) conduct or practices detrimental to the welfare of the patient; or

2.13 (4) obtaining or attempting to obtain a license by fraud or misrepresentation; or

2.14 (5) with respect to hospitals and outpatient surgical centers, if the commissioner  
 2.15 determines that there is a pattern of conduct that one or more physicians or advanced practice  
 2.16 registered nurses who have a "financial or economic interest," as defined in section 144.6521,  
 2.17 subdivision 3, in the hospital or outpatient surgical center, have not provided the notice and  
 2.18 disclosure of the financial or economic interest required by section 144.6521.

2.19 (b) The commissioner shall not renew a license for a boarding care bed in a resident  
 2.20 room with more than four beds.

2.21 (c) The commissioner shall not renew licenses for hospital beds issued to a hospital or  
 2.22 hospital corporate system pursuant to a hospital construction moratorium exception under  
 2.23 section 144.551, subdivision 1a, if the commissioner determines the hospital or hospital  
 2.24 corporate system is not satisfying the conditions on which the exception was granted.

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

2.26 Sec. 4. Minnesota Statutes 2020, section 144.551, is amended by adding a subdivision to  
 2.27 read:

2.28 Subd. 1a. **Exception for increased mental health bed capacity.** (a) From August 1,  
 2.29 2022, to July 31, 2027, subdivision 1, paragraph (a), and sections 144.552 and 144.553, do  
 2.30 not apply to:

3.1 (1) those portions of any erection, building, alteration, reconstruction, modernization,  
 3.2 improvement, extension, lease, or other acquisition by or on behalf of a hospital that increase  
 3.3 the mental health bed capacity of a hospital; or

3.4 (2) the establishment of a new psychiatric hospital.

3.5 (b) Any hospital that increases its bed capacity or is established under this subdivision  
 3.6 must use all the newly licensed beds exclusively for mental health services.

3.7 (c) The commissioner shall monitor the implementation of exceptions under this  
 3.8 subdivision. Each hospital or hospital corporate system granted an exception under this  
 3.9 subdivision shall submit to the commissioner each year a report on how the hospital or  
 3.10 hospital corporate system continues to satisfy the conditions on which the exception was  
 3.11 granted.

3.12 (d) Any hospital found to be in violation of this subdivision is subject to sanction under  
 3.13 section 144.55, subdivision 6, paragraph (c).

3.14 (e) By January 15, 2027, the commissioner of health shall submit to the chairs and  
 3.15 ranking minority members of the legislative committees and divisions with jurisdiction over  
 3.16 health a report containing the location of every hospital that has expanded its capacity or  
 3.17 been established under this subdivision and summary data by location of the patient  
 3.18 population served in the newly licensed beds, including age, duration of stay, and county  
 3.19 of residence. A hospital that expands its capacity or is established under this subdivision  
 3.20 must provide the patient information the commissioner requests to fulfill the requirements  
 3.21 of this paragraph. For the purposes of section 144.55, subdivision 6, paragraph (c), a hospital's  
 3.22 failure to provide data requested by the commissioner is a failure to satisfy the conditions  
 3.23 on which an exception is granted under this subdivision.

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

3.25 Page 3, after line 21, insert:

3.26 "(3) prioritize evidence-based services and implement services that are promising  
 3.27 practices or theory-based practices so that the service can be evaluated accordingly to  
 3.28 subdivision 5a;"

3.29 Page 3, line 22, strike "(3)" and insert "(4)"

3.30 Page 3, line 24, strike "(4)" and insert "(5)"

3.31 Page 4, after line 18, insert:

4.1 "Subd. 5a. **Evaluations.** The commissioner, in consultation with the commissioner of  
4.2 management and budget, and within available appropriations, shall create and maintain an  
4.3 inventory of adult mental health initiative services administered by the county boards,  
4.4 identifying evidence-based services and services that are theory-based or promising practices.  
4.5 The commissioner, in consultation with the commissioner of management and budget, shall  
4.6 select adult mental health initiative services that are promising practices or theory-based  
4.7 activities for which the commissioner of management and budget shall conduct evaluations  
4.8 using experimental or quasi-experimental design. The commissioner of human services  
4.9 shall encourage county boards to administer adult mental health initiative services to support  
4.10 experimental or quasi-experimental evaluation and shall require county boards to collect  
4.11 and report information that is needed to complete the evaluation for any adult mental health  
4.12 initiative service that is selected for an evaluation. The commissioner of management and  
4.13 budget, under section 15.08, may obtain additional relevant data to support the experimental  
4.14 or quasi experimental evaluation studies."

4.15 Page 7, delete section 4 and insert:

4.16 "Sec. 7. Minnesota Statutes 2021 Supplement, section 245I.23, is amended by adding a  
4.17 subdivision to read:

4.18 Subd. 19a. **Locked facilities; additional requirements.** (a) License holders that prohibit  
4.19 clients from leaving the facility by locking exit doors or other methods must meet the  
4.20 additional requirements of this subdivision.

4.21 (b) The license holder must meet all applicable building and fire codes to operate a  
4.22 building with locked exit doors. The license holder must have the appropriate health license  
4.23 for operating a program with locked exit doors as determined by the Department of Health.

4.24 (c) The license holder's policies and procedures must describe the types of court orders  
4.25 that authorize the facility to prohibit clients from leaving the facility.

4.26 (d) For each client at the facility under a court order the license holder must maintain  
4.27 documentation of the order that authorizes the facility to prohibit the client from leaving  
4.28 the facility.

4.29 (e) Upon admission, the license holder must document in the client file that the client  
4.30 was informed:

4.31 (1) that the client has the right to leave the facility according to the rights in section  
4.32 144.651, subdivision 21; or

5.1 (2) that the client cannot leave the facility due to an order that authorizes the license  
 5.2 holder to prohibit the client from leaving the facility.

5.3 (f) If the license holder prohibits a client from leaving the facility, the client's treatment  
 5.4 plan must reflect this restriction.

5.5 **EFFECTIVE DATE.** This section is effective July 1, 2022, or upon federal approval,  
 5.6 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 5.7 when federal approval is obtained."

5.8 Page 18, after line 28, insert:

5.9 "Sec. 16. **ONLINE MUSIC INSTRUCTION GRANT PROGRAM.**

5.10 (a) The commissioner of health shall award a grant to a community music education  
 5.11 and performance center to partner with schools and early childhood centers to provide online  
 5.12 music instruction to students and children for the purpose of increasing student  
 5.13 self-confidence, providing students with a sense of community, and reducing individual  
 5.14 stress. In applying for the grant, an applicant must commit to providing at least a 30 percent  
 5.15 match of the funds allocated. The applicant must also include in the application the  
 5.16 measurable outcomes the applicant intends to accomplish with the grant funds.

5.17 (b) The grantee shall use grant funds to partner with schools or early childhood centers  
 5.18 that are designated Title I schools or centers or are located in rural Minnesota, and may use  
 5.19 the funds in consultation with the music or early childhood educators in each school or early  
 5.20 childhood center to provide individual or small group music instruction, sectional ensembles,  
 5.21 or other group music activities, music workshops, or early childhood music activities. At  
 5.22 least half of the online music programs must be in partnership with schools or early childhood  
 5.23 centers located in rural Minnesota. A grantee may use the funds awarded to supplement or  
 5.24 enhance an existing online music program within a school or early childhood center that  
 5.25 meets the criteria described in this paragraph.

5.26 (c) The grantee must contract with a third-party entity to evaluate the success of the  
 5.27 online music program. The evaluation must include interviews with the music educators  
 5.28 and students at the schools and early childhood centers where an online music program was  
 5.29 established. The results of the evaluation must be submitted to the commissioner of health  
 5.30 and to the chairs and ranking minority members of the legislative committees with jurisdiction  
 5.31 over mental health policy and finance by December 15, 2025."

5.32 Page 19, line 2, delete "\$....." and insert "\$2,400,000"

5.33 Page 19, line 6, delete "\$....." and insert "\$2,000,000"

- 6.1 Page 19, line 9, after "CRISIS" insert "SERVICES"
- 6.2 Page 19, line 10, delete everything before "general" and insert "The" and delete everything  
6.3 after "fund" and insert "base"
- 6.4 Page 19, line 11, delete everything before the first "for"
- 6.5 Page 19, line 12, after "(15)" insert ", is increased by \$4,000,000 in fiscal year 2024 and  
6.6 increased by \$8,000,000 in fiscal year 2025"
- 6.7 Page 19, line 15, delete "\$....." and insert "\$4,500,000"
- 6.8 Page 19, line 21, delete "\$....." and insert "\$2,750,000"
- 6.9 Page 20, line 3, delete "\$....." and insert "\$2,000,000"
- 6.10 Page 20, line 8, delete "\$....." and insert "\$1,500,000"
- 6.11 Page 20, line 14, delete everything before "general" and insert "(a) The" and delete  
6.12 everything after "fund" and insert "base for adult mental health initiative services under  
6.13 Minnesota Statutes, section 245.4661, is increased by \$10,325,000 in fiscal year 2025."
- 6.14 Page 20, delete lines 15 and 16 and insert:
- 6.15 "(b) \$400,000 in fiscal year 2023 is appropriated from the general fund to the  
6.16 commissioner of management and budget to create and maintain an inventory of adult  
6.17 mental health initiative services and to conduct evaluations of adult mental health initiative  
6.18 services that are promising practices or theory-based activities under Minnesota Statutes,  
6.19 section 245.4661, subdivision 5a."
- 6.20 Page 20, line 18, delete "\$2,000,000" and insert "\$6,000,000"
- 6.21 Page 20, line 20, delete everything after the period
- 6.22 Page 20, delete line 21
- 6.23 Page 20, before line 22, insert:
- 6.24 "Sec. 26. APPROPRIATION.
- 6.25 \$300,000 in fiscal year 2023 is appropriated from the general fund to the commissioner  
6.26 of health to award a grant for the online music instruction grant program. This is a onetime  
6.27 appropriation and is available until June 30, 2025.

7.1 Sec. 27. **APPROPRIATION; OFFICER-INVOLVED COMMUNITY-BASED CARE**  
7.2 **COORDINATION.**

7.3 \$11,000 in fiscal year 2023 is appropriated from the general fund to the commissioner  
7.4 of human services for medical assistance rates for officer-involved community-based care  
7.5 coordination. The general fund base for this appropriation is \$10,000 in fiscal year 2024  
7.6 and \$15,000 in fiscal year 2025.

7.7 Sec. 28. **APPROPRIATION; MENTAL HEALTH BENEFIT FOR CHILDREN IN**  
7.8 **CRISIS.**

7.9 \$500,000 is appropriated from the general fund to the commissioner of human services  
7.10 for the development of a medical assistance eligible mental health benefit for children in  
7.11 crisis under section 11. This is a onetime appropriation.

7.12 Sec. 29. **APPROPRIATION; FEE-FOR-SERVICE MENTAL HEALTH RATES.**

7.13 \$19,000 in fiscal year 2023 is appropriated from the general fund to the commissioner  
7.14 of human services to monitor the fee-for-service mental health minimum rate under section  
7.15 6. The general fund base for this appropriation is \$22,000 in fiscal year 2024 and \$22,000  
7.16 in fiscal year 2025."

7.17 Renumber the sections in sequence

7.18 Amend the title as follows

7.19 Page 1, line 7, after "services;" insert "creating an online music instruction grant program;  
7.20 creating an exception to the hospital construction moratorium for projects that add mental  
7.21 health beds;"

7.22 Amend the title numbers accordingly

7.23 And when so amended the bill do pass and be re-referred to the Committee on Finance.

7.24 Amendments adopted. Report adopted.

7.25 .....  
7.26 (Committee Chair)

7.27 April 4, 2022.....  
7.28 (Date of Committee recommendation)