

1.1 Senator moves to amend S.F. No. 2995 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 HEALTH CARE

1.5 Section 1. Minnesota Statutes 2022, section 256.01, is amended by adding a subdivision
1.6 to read:

1.7 Subd. 43. Education on contraceptive options. The commissioner shall require hospitals
1.8 and primary care providers serving medical assistance and MinnesotaCare enrollees to
1.9 develop and implement protocols to provide these enrollees, when appropriate, with
1.10 comprehensive and scientifically accurate information on the full range of contraceptive
1.11 options, in a medically ethical, culturally competent, and noncoercive manner. The
1.12 information provided must be designed to assist enrollees in identifying the contraceptive
1.13 method that best meets their needs and the needs of their families. The protocol must specify
1.14 the enrollee categories to which this requirement will be applied, the process to be used,
1.15 and the information and resources to be provided. Hospitals and providers must make this
1.16 protocol available to the commissioner upon request.

1.17 Sec. 2. Minnesota Statutes 2022, section 256.0471, subdivision 1, is amended to read:

1.18 Subdivision 1. **Qualifying overpayment.** Any overpayment for assistance granted under
1.19 ~~chapter 119B~~, the MFIP program formerly codified under sections 256.031 to 256.0361;
1.20 and the AFDC program formerly codified under sections 256.72 to 256.871; for assistance
1.21 granted under chapters 256B for state-funded medical assistance 119B, 256D, 256I, 256J,
1.22 and 256K, and 256L; for assistance granted pursuant to section 256.045, subdivision 10,
1.23 for state-funded medical assistance and state-funded MinnesotaCare under chapters 256B
1.24 and 256L; and for assistance granted under the Supplemental Nutrition Assistance Program
1.25 (SNAP), except agency error claims, become a judgment by operation of law 90 days after
1.26 the notice of overpayment is personally served upon the recipient in a manner that is sufficient
1.27 under rule 4.03(a) of the Rules of Civil Procedure for district courts, or by certified mail,
1.28 return receipt requested. This judgment shall be entitled to full faith and credit in this and
1.29 any other state.

1.30 EFFECTIVE DATE. This section is effective July 1, 2023.

2.1 Sec. 3. Minnesota Statutes 2022, section 256.969, subdivision 2b, is amended to read:

2.2 Subd. 2b. **Hospital payment rates.** (a) For discharges occurring on or after November
2.3 1, 2014, hospital inpatient services for hospitals located in Minnesota shall be paid according
2.4 to the following:

2.5 (1) critical access hospitals as defined by Medicare shall be paid using a cost-based
2.6 methodology;

2.7 (2) long-term hospitals as defined by Medicare shall be paid on a per diem methodology
2.8 under subdivision 25;

2.9 (3) rehabilitation hospitals or units of hospitals that are recognized as rehabilitation
2.10 distinct parts as defined by Medicare shall be paid according to the methodology under
2.11 subdivision 12; and

2.12 (4) all other hospitals shall be paid on a diagnosis-related group (DRG) methodology.

2.13 (b) For the period beginning January 1, 2011, through October 31, 2014, rates shall not
2.14 be rebased, except that a Minnesota long-term hospital shall be rebased effective January
2.15 1, 2011, based on its most recent Medicare cost report ending on or before September 1,
2.16 2008, with the provisions under subdivisions 9 and 23, based on the rates in effect on
2.17 December 31, 2010. For rate setting periods after November 1, 2014, in which the base
2.18 years are updated, a Minnesota long-term hospital's base year shall remain within the same
2.19 period as other hospitals.

2.20 (c) Effective for discharges occurring on and after November 1, 2014, payment rates
2.21 for hospital inpatient services provided by hospitals located in Minnesota or the local trade
2.22 area, except for the hospitals paid under the methodologies described in paragraph (a),
2.23 clauses (2) and (3), shall be rebased, incorporating cost and payment methodologies in a
2.24 manner similar to Medicare. The base year or years for the rates effective November 1,
2.25 2014, shall be calendar year 2012. The rebasing under this paragraph shall be budget neutral,
2.26 ensuring that the total aggregate payments under the rebased system are equal to the total
2.27 aggregate payments that were made for the same number and types of services in the base
2.28 year. Separate budget neutrality calculations shall be determined for payments made to
2.29 critical access hospitals and payments made to hospitals paid under the DRG system. Only
2.30 the rate increases or decreases under subdivision 3a or 3c that applied to the hospitals being
2.31 rebased during the entire base period shall be incorporated into the budget neutrality
2.32 calculation.

3.1 (d) For discharges occurring on or after November 1, 2014, through the next rebasing
3.2 that occurs, the rebased rates under paragraph (c) that apply to hospitals under paragraph
3.3 (a), clause (4), shall include adjustments to the projected rates that result in no greater than
3.4 a five percent increase or decrease from the base year payments for any hospital. Any
3.5 adjustments to the rates made by the commissioner under this paragraph and paragraph (e)
3.6 shall maintain budget neutrality as described in paragraph (c).

3.7 (e) For discharges occurring on or after November 1, 2014, the commissioner may make
3.8 additional adjustments to the rebased rates, and when evaluating whether additional
3.9 adjustments should be made, the commissioner shall consider the impact of the rates on the
3.10 following:

3.11 (1) pediatric services;

3.12 (2) behavioral health services;

3.13 (3) trauma services as defined by the National Uniform Billing Committee;

3.14 (4) transplant services;

3.15 (5) obstetric services, newborn services, and behavioral health services provided by
3.16 hospitals outside the seven-county metropolitan area;

3.17 (6) outlier admissions;

3.18 (7) low-volume providers; and

3.19 (8) services provided by small rural hospitals that are not critical access hospitals.

3.20 (f) Hospital payment rates established under paragraph (c) must incorporate the following:

3.21 (1) for hospitals paid under the DRG methodology, the base year payment rate per
3.22 admission is standardized by the applicable Medicare wage index and adjusted by the
3.23 hospital's disproportionate population adjustment;

3.24 (2) for critical access hospitals, payment rates for discharges between November 1, 2014,
3.25 and June 30, 2015, shall be set to the same rate of payment that applied for discharges on
3.26 October 31, 2014;

3.27 (3) the cost and charge data used to establish hospital payment rates must only reflect
3.28 inpatient services covered by medical assistance; and

3.29 (4) in determining hospital payment rates for discharges occurring on or after the rate
3.30 year beginning January 1, 2011, through December 31, 2012, the hospital payment rate per
3.31 discharge shall be based on the cost-finding methods and allowable costs of the Medicare

4.1 program in effect during the base year or years. In determining hospital payment rates for
4.2 discharges in subsequent base years, the per discharge rates shall be based on the cost-finding
4.3 methods and allowable costs of the Medicare program in effect during the base year or
4.4 years.

4.5 (g) The commissioner shall validate the rates effective November 1, 2014, by applying
4.6 the rates established under paragraph (c), and any adjustments made to the rates under
4.7 paragraph (d) or (e), to hospital claims paid in calendar year 2013 to determine whether the
4.8 total aggregate payments for the same number and types of services under the rebased rates
4.9 are equal to the total aggregate payments made during calendar year 2013.

4.10 (h) Effective for discharges occurring on or after July 1, 2017, and every two years
4.11 thereafter, payment rates under this section shall be rebased to reflect only those changes
4.12 in hospital costs between the existing base year or years and the next base year or years. In
4.13 any year that inpatient claims volume falls below the threshold required to ensure a
4.14 statistically valid sample of claims, the commissioner may combine claims data from two
4.15 consecutive years to serve as the base year. Years in which inpatient claims volume is
4.16 reduced or altered due to a pandemic or other public health emergency shall not be used as
4.17 a base year or part of a base year if the base year includes more than one year. Changes in
4.18 costs between base years shall be measured using the lower of the hospital cost index defined
4.19 in subdivision 1, paragraph (a), or the percentage change in the case mix adjusted cost per
4.20 claim. The commissioner shall establish the base year for each rebasing period considering
4.21 the most recent year or years for which filed Medicare cost reports are available. The
4.22 estimated change in the average payment per hospital discharge resulting from a scheduled
4.23 rebasing must be calculated and made available to the legislature by January 15 of each
4.24 year in which rebasing is scheduled to occur, and must include by hospital the differential
4.25 in payment rates compared to the individual hospital's costs.

4.26 (i) Effective for discharges occurring on or after July 1, 2015, inpatient payment rates
4.27 for critical access hospitals located in Minnesota or the local trade area shall be determined
4.28 using a new cost-based methodology. The commissioner shall establish within the
4.29 methodology tiers of payment designed to promote efficiency and cost-effectiveness.
4.30 Payment rates for hospitals under this paragraph shall be set at a level that does not exceed
4.31 the total cost for critical access hospitals as reflected in base year cost reports. Until the
4.32 next rebasing that occurs, the new methodology shall result in no greater than a five percent
4.33 decrease from the base year payments for any hospital, except a hospital that had payments
4.34 that were greater than 100 percent of the hospital's costs in the base year shall have their
4.35 rate set equal to 100 percent of costs in the base year. The rates paid for discharges on and

5.1 after July 1, 2016, covered under this paragraph shall be increased by the inflation factor
5.2 in subdivision 1, paragraph (a). The new cost-based rate shall be the final rate and shall not
5.3 be settled to actual incurred costs. Hospitals shall be assigned a payment tier based on the
5.4 following criteria:

5.5 (1) hospitals that had payments at or below 80 percent of their costs in the base year
5.6 shall have a rate set that equals 85 percent of their base year costs;

5.7 (2) hospitals that had payments that were above 80 percent, up to and including 90
5.8 percent of their costs in the base year shall have a rate set that equals 95 percent of their
5.9 base year costs; and

5.10 (3) hospitals that had payments that were above 90 percent of their costs in the base year
5.11 shall have a rate set that equals 100 percent of their base year costs.

5.12 (j) Effective for discharges occurring on or after July 1, 2023, payment rates under this
5.13 section must be rebased to reflect those changes in hospital costs between the existing base
5.14 year or years and one year prior to the rate year. In any year that inpatient claims volume
5.15 falls below the threshold required to ensure a statistically valid sample of claims, the
5.16 commissioner may combine claims data from two consecutive years to serve as the base
5.17 year. Years in which inpatient claims volume is reduced or altered due to a pandemic or
5.18 other public health emergency must not be used as a base year or part of a base year if the
5.19 base year includes more than one year. Changes in costs between the base year or years and
5.20 one year prior to the rate year must be measured using the hospital cost index defined in
5.21 subdivision 1, paragraph (a). The commissioner must establish the base year for each rebasing
5.22 period considering the most recent year or years for which filed Medicare cost reports are
5.23 available. The estimated change in the average payment per hospital discharge resulting
5.24 from a scheduled rebasing must be calculated and made available to the legislature by
5.25 January 15 of each year in which rebasing is scheduled to occur, and must include the
5.26 differential in payment rates compared to the individual hospital's costs by hospital.

5.27 (k) Effective for discharges occurring on or after July 1, 2023, inpatient payment rates
5.28 for critical access hospitals located in Minnesota or the local trade area must be a rate equal
5.29 to 100 percent of their base year costs inflated to the rate year using the hospital cost index
5.30 defined in subdivision 1, paragraph (a).

5.31 (l) The commissioner may refine the payment tiers and criteria for critical access hospitals
5.32 to coincide with the next rebasing under paragraph (h). The factors used to develop the new
5.33 methodology may include, but are not limited to:

6.1 (1) the ratio between the hospital's costs for treating medical assistance patients and the
6.2 hospital's charges to the medical assistance program;

6.3 (2) the ratio between the hospital's costs for treating medical assistance patients and the
6.4 hospital's payments received from the medical assistance program for the care of medical
6.5 assistance patients;

6.6 (3) the ratio between the hospital's charges to the medical assistance program and the
6.7 hospital's payments received from the medical assistance program for the care of medical
6.8 assistance patients;

6.9 (4) the statewide average increases in the ratios identified in clauses (1), (2), and (3);

6.10 (5) the proportion of that hospital's costs that are administrative and trends in
6.11 administrative costs; and

6.12 (6) geographic location.

6.13 Sec. 4. Minnesota Statutes 2022, section 256.969, subdivision 9, is amended to read:

6.14 Subd. 9. **Disproportionate numbers of low-income patients served.** (a) For admissions
6.15 occurring on or after July 1, 1993, the medical assistance disproportionate population
6.16 adjustment shall comply with federal law and shall be paid to a hospital, excluding regional
6.17 treatment centers and facilities of the federal Indian Health Service, with a medical assistance
6.18 inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined
6.19 as follows:

6.20 (1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic
6.21 mean for all hospitals excluding regional treatment centers and facilities of the federal Indian
6.22 Health Service but less than or equal to one standard deviation above the mean, the
6.23 adjustment must be determined by multiplying the total of the operating and property
6.24 payment rates by the difference between the hospital's actual medical assistance inpatient
6.25 utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers
6.26 and facilities of the federal Indian Health Service; and

6.27 (2) for a hospital with a medical assistance inpatient utilization rate above one standard
6.28 deviation above the mean, the adjustment must be determined by multiplying the adjustment
6.29 that would be determined under clause (1) for that hospital by 1.1. The commissioner shall
6.30 report annually on the number of hospitals likely to receive the adjustment authorized by
6.31 this paragraph. The commissioner shall specifically report on the adjustments received by
6.32 public hospitals and public hospital corporations located in cities of the first class.

7.1 (b) Certified public expenditures made by Hennepin County Medical Center shall be
7.2 considered Medicaid disproportionate share hospital payments. Hennepin County and
7.3 Hennepin County Medical Center shall report by June 15, 2007, on payments made beginning
7.4 July 1, 2005, or another date specified by the commissioner, that may qualify for
7.5 reimbursement under federal law. Based on these reports, the commissioner shall apply for
7.6 federal matching funds.

7.7 (c) Upon federal approval of the related state plan amendment, paragraph (b) is effective
7.8 retroactively from July 1, 2005, or the earliest effective date approved by the Centers for
7.9 Medicare and Medicaid Services.

7.10 (d) Effective July 1, 2015, disproportionate share hospital (DSH) payments shall be paid
7.11 in accordance with a new methodology using 2012 as the base year. Annual payments made
7.12 under this paragraph shall equal the total amount of payments made for 2012. A licensed
7.13 children's hospital shall receive only a single DSH factor for children's hospitals. Other
7.14 DSH factors may be combined to arrive at a single factor for each hospital that is eligible
7.15 for DSH payments. The new methodology shall make payments only to hospitals located
7.16 in Minnesota and include the following factors:

7.17 (1) a licensed children's hospital with at least 1,000 fee-for-service discharges in the
7.18 base year shall receive a factor of 0.868. A licensed children's hospital with less than 1,000
7.19 fee-for-service discharges in the base year shall receive a factor of 0.7880;

7.20 (2) a hospital that has in effect for the initial rate year a contract with the commissioner
7.21 to provide extended psychiatric inpatient services under section 256.9693 shall receive a
7.22 factor of 0.0160;

7.23 (3) a hospital that has received medical assistance payment for at least 20 transplant
7.24 services in the base year shall receive a factor of 0.0435;

7.25 (4) a hospital that has a medical assistance utilization rate in the base year between 20
7.26 percent up to one standard deviation above the statewide mean utilization rate shall receive
7.27 a factor of 0.0468;

7.28 (5) a hospital that has a medical assistance utilization rate in the base year that is at least
7.29 one standard deviation above the statewide mean utilization rate but is less than two and
7.30 one-half standard deviations above the mean shall receive a factor of 0.2300; and

7.31 (6) a hospital that is a level one trauma center and that has a medical assistance utilization
7.32 rate in the base year that is at least two and ~~one-half~~ one-quarter standard deviations above
7.33 the statewide mean utilization rate shall receive a factor of 0.3711.

8.1 (e) For the purposes of determining eligibility for the disproportionate share hospital
 8.2 factors in paragraph (d), clauses (1) to (6), the medical assistance utilization rate and
 8.3 discharge thresholds shall be measured using only one year when a two-year base period
 8.4 is used.

8.5 (f) Any payments or portion of payments made to a hospital under this subdivision that
 8.6 are subsequently returned to the commissioner because the payments are found to exceed
 8.7 the hospital-specific DSH limit for that hospital shall be redistributed, proportionate to the
 8.8 number of fee-for-service discharges, to other DSH-eligible non-children's hospitals that
 8.9 have a medical assistance utilization rate that is at least one standard deviation above the
 8.10 mean.

8.11 (g) An additional payment adjustment shall be established by the commissioner under
 8.12 this subdivision for a hospital that provides high levels of administering high-cost drugs to
 8.13 enrollees in fee-for-service medical assistance. The commissioner shall consider factors
 8.14 including fee-for-service medical assistance utilization rates and payments made for drugs
 8.15 purchased through the 340B drug purchasing program and administered to fee-for-service
 8.16 enrollees. If any part of this adjustment exceeds a hospital's hospital-specific disproportionate
 8.17 share hospital limit, or if the hospital qualifies for the alternative payment rate described in
 8.18 subdivision 2e, the commissioner shall make a payment to the hospital that equals the
 8.19 nonfederal share of the amount that exceeds the limit. The total nonfederal share of the
 8.20 amount of the payment adjustment under this paragraph shall not exceed ~~\$1,500,000~~ \$.....

8.21 **EFFECTIVE DATE.** This section is effective January 1, 2026, or the January 1
 8.22 following certification of the modernized pharmacy claims processing system, whichever
 8.23 is later.

8.24 Sec. 5. Minnesota Statutes 2022, section 256.969, subdivision 25, is amended to read:

8.25 Subd. 25. **Long-term hospital rates.** (a) Long-term hospitals shall be paid on a per diem
 8.26 basis.

8.27 (b) For admissions occurring on or after April 1, 1995, a long-term hospital as designated
 8.28 by Medicare that does not have admissions in the base year shall have inpatient rates
 8.29 established at the average of other hospitals with the same designation. For subsequent
 8.30 rate-setting periods in which base years are updated, the hospital's base year shall be the
 8.31 first Medicare cost report filed with the long-term hospital designation and shall remain in
 8.32 effect until it falls within the same period as other hospitals.

9.1 (c) For admissions occurring on or after July 1, 2023, long-term hospitals must be paid
 9.2 the higher of a per diem amount computed using the methodology described in subdivision
 9.3 2b, paragraph (i), or the per diem rate as of July 1, 2021.

9.4 **EFFECTIVE DATE.** This section is effective July 1, 2023.

9.5 Sec. 6. Minnesota Statutes 2022, section 256.969, is amended by adding a subdivision to
 9.6 read:

9.7 Subd. 31. **Long-acting reversible contraceptives.** (a) The commissioner must provide
 9.8 separate reimbursement to hospitals for long-acting reversible contraceptives provided
 9.9 immediately postpartum in the inpatient hospital setting. This payment must be in addition
 9.10 to the diagnostic related group reimbursement for labor and delivery and shall be made
 9.11 consistent with 256B.0625, subdivision 13e, paragraph (e).

9.12 (b) The commissioner must require managed care and county-based purchasing plans
 9.13 to comply with this subdivision when providing services to medical assistance enrollees.

9.14 **EFFECTIVE DATE.** This section is effective January 1, 2024.

9.15 Sec. 7. Minnesota Statutes 2022, section 256B.055, subdivision 17, is amended to read:

9.16 Subd. 17. **Adults who were in foster care at the age of 18.** (a) Medical assistance may
 9.17 be paid for a person under 26 years of age who was in foster care under the commissioner's
 9.18 responsibility on the date of attaining 18 years of age, and who was enrolled in medical
 9.19 assistance under the state plan or a waiver of the plan while in foster care, in accordance
 9.20 with section 2004 of the Affordable Care Act.

9.21 (b) Beginning July 1, 2023, medical assistance may be paid for a person under 26 years
 9.22 of age who was in foster care on the date of attaining 18 years of age and enrolled in another
 9.23 state's Medicaid program while in foster care in accordance with the Substance Use-Disorder
 9.24 Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities
 9.25 Act of 2018. Public Law 115-271, section 1002.

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

9.27 Sec. 8. Minnesota Statutes 2022, section 256B.056, subdivision 7, is amended to read:

9.28 Subd. 7. **Period of eligibility.** (a) Eligibility is available for the month of application
 9.29 and for three months prior to application if the person was eligible in those prior months.
 9.30 A redetermination of eligibility must occur every 12 months.

9.31 (b) Notwithstanding any other law to the contrary:

10.1 (1) a child under 19 years of age who is determined eligible for medical assistance must
 10.2 remain eligible for a period of 12 months;

10.3 (2) a child 19 years of age or older and under 21 years of age who is determined eligible
 10.4 for medical assistance must remain eligible for a period of 12 months; and

10.5 (3) a child under six years of age who is determined eligible for medical assistance must
 10.6 remain eligible through the month in which the child reaches six years of age.

10.7 (c) A child's eligibility under paragraph (b) may be terminated earlier if:

10.8 (1) the child attains the maximum age;

10.9 (2) the child or the child's representative requests voluntary termination of eligibility;

10.10 (3) the child ceases to be a resident of the state;

10.11 (4) the child dies; or

10.12 (5) the agency determines eligibility was erroneously granted at the most recent eligibility
 10.13 determination due to agency error or fraud, abuse, or perjury attributed to the child or the
 10.14 child's representative.

10.15 ~~(b)~~ (d) For a person eligible for an insurance affordability program as defined in section
 10.16 256B.02, subdivision 19, who reports a change that makes the person eligible for medical
 10.17 assistance, eligibility is available for the month the change was reported and for three months
 10.18 prior to the month the change was reported, if the person was eligible in those prior months.

10.19 **EFFECTIVE DATE.** This section is effective July 1, 2024, or upon federal approval
 10.20 and the implementation of required administrative and systems changes, whichever is later.
 10.21 The commissioner of human services shall notify the revisor of statutes when federal approval
 10.22 is obtained and the administrative and systems changes are implemented.

10.23 Sec. 9. Minnesota Statutes 2022, section 256B.0625, subdivision 9, is amended to read:

10.24 Subd. 9. **Dental services.** (a) Medical assistance covers medically necessary dental
 10.25 services.

10.26 ~~(b) Medical assistance dental coverage for nonpregnant adults is limited to the following~~
 10.27 ~~services:~~

10.28 ~~(1) comprehensive exams, limited to once every five years;~~

10.29 ~~(2) periodic exams, limited to one per year;~~

10.30 ~~(3) limited exams;~~

- 11.1 ~~(4) bitewing x-rays, limited to one per year;~~
- 11.2 ~~(5) periapical x-rays;~~
- 11.3 ~~(6) panoramic x-rays, limited to one every five years except (1) when medically necessary~~
- 11.4 ~~for the diagnosis and follow-up of oral and maxillofacial pathology and trauma or (2) once~~
- 11.5 ~~every two years for patients who cannot cooperate for intraoral film due to a developmental~~
- 11.6 ~~disability or medical condition that does not allow for intraoral film placement;~~
- 11.7 ~~(7) prophylaxis, limited to one per year;~~
- 11.8 ~~(8) application of fluoride varnish, limited to one per year;~~
- 11.9 ~~(9) posterior fillings, all at the amalgam rate;~~
- 11.10 ~~(10) anterior fillings;~~
- 11.11 ~~(11) endodontics, limited to root canals on the anterior and premolars only;~~
- 11.12 ~~(12) removable prostheses, each dental arch limited to one every six years;~~
- 11.13 ~~(13) oral surgery, limited to extractions, biopsies, and incision and drainage of abscesses;~~
- 11.14 ~~(14) palliative treatment and sedative fillings for relief of pain;~~
- 11.15 ~~(15) full-mouth debridement, limited to one every five years; and~~
- 11.16 ~~(16) nonsurgical treatment for periodontal disease, including scaling and root planing~~
- 11.17 ~~once every two years for each quadrant, and routine periodontal maintenance procedures.~~
- 11.18 ~~(e) In addition to the services specified in paragraph (b), medical assistance covers the~~
- 11.19 ~~following services for adults, if provided in an outpatient hospital setting or freestanding~~
- 11.20 ~~ambulatory surgical center as part of outpatient dental surgery:~~
- 11.21 ~~(1) periodontics, limited to periodontal scaling and root planing once every two years;~~
- 11.22 ~~(2) general anesthesia; and~~
- 11.23 ~~(3) full-mouth survey once every five years.~~
- 11.24 ~~(d) Medical assistance covers medically necessary dental services for children and~~
- 11.25 ~~pregnant women. (b) The following guidelines apply to dental services:~~
- 11.26 (1) posterior fillings are paid at the amalgam rate;
- 11.27 (2) application of sealants are covered once every five years per permanent molar for
- 11.28 children only; and
- 11.29 (3) application of fluoride varnish is covered once every six months; and.

12.1 ~~(4) orthodontia is eligible for coverage for children only.~~

12.2 ~~(e)~~ (c) In addition to the services specified in ~~paragraphs~~ paragraph (b) ~~and (e)~~, medical
12.3 assistance covers the following services ~~for adults~~:

12.4 (1) house calls or extended care facility calls for on-site delivery of covered services;

12.5 (2) behavioral management when additional staff time is required to accommodate
12.6 behavioral challenges and sedation is not used;

12.7 (3) oral or IV sedation, if the covered dental service cannot be performed safely without
12.8 it or would otherwise require the service to be performed under general anesthesia in a
12.9 hospital or surgical center; and

12.10 (4) prophylaxis, in accordance with an appropriate individualized treatment plan, but
12.11 no more than four times per year.

12.12 ~~(f)~~ (d) The commissioner shall not require prior authorization for the services included
12.13 in paragraph ~~(e)~~ (c), clauses (1) to (3), and shall prohibit managed care and county-based
12.14 purchasing plans from requiring prior authorization for the services included in paragraph
12.15 ~~(e)~~ (c), clauses (1) to (3), when provided under sections 256B.69, 256B.692, and 256L.12.

12.16 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,
12.17 whichever is later. The commissioner of human services shall notify the revisor of statutes
12.18 when federal approval is obtained.

12.19 Sec. 10. Minnesota Statutes 2022, section 256B.0625, subdivision 13, is amended to read:

12.20 Subd. 13. **Drugs.** (a) Medical assistance covers drugs, except for fertility drugs when
12.21 specifically used to enhance fertility, if prescribed by a licensed practitioner and dispensed
12.22 by a licensed pharmacist, by a physician enrolled in the medical assistance program as a
12.23 dispensing physician, or by a physician, a physician assistant, or an advanced practice
12.24 registered nurse employed by or under contract with a community health board as defined
12.25 in section 145A.02, subdivision 5, for the purposes of communicable disease control.

12.26 (b) The dispensed quantity of a prescription drug must not exceed a 34-day supply;
12.27 unless authorized by the commissioner or as provided in paragraph (h) or the drug appears
12.28 on the 90-day supply list published by the commissioner. The 90-day supply list shall be
12.29 published by the commissioner on the department's website. The commissioner may add
12.30 to, delete from, and otherwise modify the 90-day supply list after providing public notice
12.31 and the opportunity for a 15-day public comment period. The 90-day supply list may include
12.32 cost-effective generic drugs and shall not include controlled substances.

13.1 (c) For the purpose of this subdivision and subdivision 13d, an "active pharmaceutical
13.2 ingredient" is defined as a substance that is represented for use in a drug and when used in
13.3 the manufacturing, processing, or packaging of a drug becomes an active ingredient of the
13.4 drug product. An "excipient" is defined as an inert substance used as a diluent or vehicle
13.5 for a drug. The commissioner shall establish a list of active pharmaceutical ingredients and
13.6 excipients which are included in the medical assistance formulary. Medical assistance covers
13.7 selected active pharmaceutical ingredients and excipients used in compounded prescriptions
13.8 when the compounded combination is specifically approved by the commissioner or when
13.9 a commercially available product:

13.10 (1) is not a therapeutic option for the patient;

13.11 (2) does not exist in the same combination of active ingredients in the same strengths
13.12 as the compounded prescription; and

13.13 (3) cannot be used in place of the active pharmaceutical ingredient in the compounded
13.14 prescription.

13.15 (d) Medical assistance covers the following over-the-counter drugs when prescribed by
13.16 a licensed practitioner or by a licensed pharmacist who meets standards established by the
13.17 commissioner, in consultation with the board of pharmacy: antacids, acetaminophen, family
13.18 planning products, aspirin, insulin, products for the treatment of lice, vitamins for adults
13.19 with documented vitamin deficiencies, vitamins for children under the age of seven and
13.20 pregnant or nursing women, and any other over-the-counter drug identified by the
13.21 commissioner, in consultation with the Formulary Committee, as necessary, appropriate,
13.22 and cost-effective for the treatment of certain specified chronic diseases, conditions, or
13.23 disorders, and this determination shall not be subject to the requirements of chapter 14. A
13.24 pharmacist may prescribe over-the-counter medications as provided under this paragraph
13.25 for purposes of receiving reimbursement under Medicaid. When prescribing over-the-counter
13.26 drugs under this paragraph, licensed pharmacists must consult with the recipient to determine
13.27 necessity, provide drug counseling, review drug therapy for potential adverse interactions,
13.28 and make referrals as needed to other health care professionals.

13.29 (e) Effective January 1, 2006, medical assistance shall not cover drugs that are coverable
13.30 under Medicare Part D as defined in the Medicare Prescription Drug, Improvement, and
13.31 Modernization Act of 2003, Public Law 108-173, section 1860D-2(e), for individuals eligible
13.32 for drug coverage as defined in the Medicare Prescription Drug, Improvement, and
13.33 Modernization Act of 2003, Public Law 108-173, section 1860D-1(a)(3)(A). For these
13.34 individuals, medical assistance may cover drugs from the drug classes listed in United States

14.1 Code, title 42, section 1396r-8(d)(2), subject to this subdivision and subdivisions 13a to
14.2 13g, except that drugs listed in United States Code, title 42, section 1396r-8(d)(2)(E), shall
14.3 not be covered.

14.4 (f) Medical assistance covers drugs acquired through the federal 340B Drug Pricing
14.5 Program and dispensed by 340B covered entities and ambulatory pharmacies under common
14.6 ownership of the 340B covered entity. Medical assistance does not cover drugs acquired
14.7 through the federal 340B Drug Pricing Program and dispensed by 340B contract pharmacies.

14.8 (g) Notwithstanding paragraph (a), medical assistance covers self-administered hormonal
14.9 contraceptives prescribed and dispensed by a licensed pharmacist in accordance with section
14.10 151.37, subdivision 14; nicotine replacement medications prescribed and dispensed by a
14.11 licensed pharmacist in accordance with section 151.37, subdivision 15; and opiate antagonists
14.12 used for the treatment of an acute opiate overdose prescribed and dispensed by a licensed
14.13 pharmacist in accordance with section 151.37, subdivision 16.

14.14 (h) Medical assistance coverage for a prescription contraceptive must provide a 12-month
14.15 supply for any prescription contraceptive if a 12-month supply is prescribed by the
14.16 prescribing health care provider. The prescribing health care provider must determine the
14.17 appropriate duration to prescribe the prescription contraceptives for, up to 12 months.
14.18 For purposes of this paragraph, "prescription contraceptive" means any drug or device that
14.19 requires a prescription and is approved by the Food and Drug Administration to prevent
14.20 pregnancy. Prescription contraceptive does not include an emergency contraceptive drug
14.21 approved to prevent pregnancy when administered after sexual contact. For purposes of this
14.22 paragraph, "health plan" has the meaning provided in section 62Q.01, subdivision 3.

14.23 **EFFECTIVE DATE.** This section applies to medical assistance and MinnesotaCare
14.24 coverage effective January 1, 2024.

14.25 Sec. 11. Minnesota Statutes 2022, section 256B.0625, subdivision 13c, is amended to
14.26 read:

14.27 Subd. 13c. **Formulary Committee.** The commissioner, after receiving recommendations
14.28 from professional medical associations and professional pharmacy associations, and consumer
14.29 groups shall designate a Formulary Committee to carry out duties as described in subdivisions
14.30 13 to 13g. The Formulary Committee shall be comprised of ~~four~~ at least five licensed
14.31 physicians actively engaged in the practice of medicine in Minnesota, one of whom ~~must~~
14.32 ~~be actively engaged in the treatment of persons with mental illness~~ is an actively practicing
14.33 psychiatrist, one of whom specializes in the diagnosis and treatment of rare diseases, one

15.1 of whom specializes in pediatrics, and one of whom actively treats persons with disabilities;
 15.2 at least three licensed pharmacists actively engaged in the practice of pharmacy in Minnesota,
 15.3 one of whom practices outside the metropolitan counties listed in section 473.121, subdivision
 15.4 4, one of whom practices in the metropolitan counties listed in section 473.121, subdivision
 15.5 4, and one of whom is a practicing hospital pharmacist; ~~and one~~ at least four consumer
 15.6 representative representatives, all of whom must have a personal or professional connection
 15.7 to medical assistance; and one representative designated by the Minnesota Rare Disease
 15.8 Advisory Council established under section 256.4835; the remainder to be made up of health
 15.9 care professionals who are licensed in their field and have recognized knowledge in the
 15.10 clinically appropriate prescribing, dispensing, and monitoring of covered outpatient drugs.
 15.11 Members of the Formulary Committee shall not be employed by the Department of Human
 15.12 Services, but the committee shall be staffed by an employee of the department who shall
 15.13 serve as an ex officio, nonvoting member of the committee. The department's medical
 15.14 director shall also serve as an ex officio, nonvoting member for the committee. Committee
 15.15 members shall serve three-year terms and may be reappointed once by the commissioner.
 15.16 The committee members shall vote on a chair from among their membership. The chair
 15.17 shall preside over all committee meetings. The Formulary Committee shall meet at least
 15.18 ~~twice~~ four times per year. The commissioner may require more frequent Formulary
 15.19 Committee meetings as needed. An honorarium of \$100 per meeting and reimbursement
 15.20 for mileage shall be paid to each committee member in attendance. The Formulary Committee
 15.21 is subject to the Open Meeting Law under chapter 13D. The Formulary Committee expires
 15.22 June 30, ~~2023~~ 2027.

15.23 Sec. 12. Minnesota Statutes 2022, section 256B.0625, subdivision 13f, is amended to read:

15.24 Subd. 13f. **Prior authorization.** (a) The Formulary Committee shall review and
 15.25 recommend drugs which require prior authorization. The Formulary Committee shall
 15.26 establish general criteria to be used for the prior authorization of brand-name drugs for
 15.27 which generically equivalent drugs are available, but the committee is not required to review
 15.28 each brand-name drug for which a generically equivalent drug is available.

15.29 (b) Prior authorization may be required by the commissioner before certain formulary
 15.30 drugs are eligible for payment. The Formulary Committee may recommend drugs for prior
 15.31 authorization directly to the commissioner. The commissioner may also request that the
 15.32 Formulary Committee review a drug for prior authorization. Before the commissioner may
 15.33 require prior authorization for a drug:

16.1 (1) the commissioner must provide information to the Formulary Committee on the
16.2 impact that placing the drug on prior authorization may have on the quality of patient care
16.3 and on program costs, information regarding whether the drug is subject to clinical abuse
16.4 or misuse, and relevant data from the state Medicaid program if such data is available;

16.5 (2) the Formulary Committee must review the drug, taking into account medical and
16.6 clinical data and the information provided by the commissioner; and

16.7 (3) the Formulary Committee must hold a public forum and receive public comment for
16.8 an additional 15 days.

16.9 The commissioner must provide a 15-day notice period before implementing the prior
16.10 authorization.

16.11 (c) Except as provided in subdivision 13j, prior authorization shall not be required or
16.12 utilized for any atypical antipsychotic drug prescribed for the treatment of mental illness
16.13 if:

16.14 (1) there is no generically equivalent drug available; and

16.15 (2) the drug was initially prescribed for the recipient prior to July 1, 2003; or

16.16 (3) the drug is part of the recipient's current course of treatment.

16.17 This paragraph applies to any multistate preferred drug list or supplemental drug rebate
16.18 program established or administered by the commissioner. Prior authorization shall
16.19 automatically be granted for 60 days for brand name drugs prescribed for treatment of mental
16.20 illness within 60 days of when a generically equivalent drug becomes available, provided
16.21 that the brand name drug was part of the recipient's course of treatment at the time the
16.22 generically equivalent drug became available.

16.23 (d) Prior authorization shall not be required or utilized for:

16.24 (1) any liquid form of a medication for a patient who utilizes tube feedings of any kind,
16.25 even if such patient has or had any paid claims for pills; and

16.26 (2) liquid methadone. If more than one version of liquid methadone is available, the
16.27 commissioner shall select the version of liquid methadone that does not require prior
16.28 authorization.

16.29 This paragraph applies to any multistate preferred drug list or supplemental drug rebate
16.30 program established or administered by the commissioner.

16.31 (e) The commissioner may require prior authorization for brand name drugs whenever
16.32 a generically equivalent product is available, even if the prescriber specifically indicates

17.1 "dispense as written-brand necessary" on the prescription as required by section 151.21,
17.2 subdivision 2.

17.3 ~~(e)~~ (f) Notwithstanding this subdivision, the commissioner may automatically require
17.4 prior authorization, for a period not to exceed 180 days, for any drug that is approved by
17.5 the United States Food and Drug Administration on or after July 1, 2005. The 180-day
17.6 period begins no later than the first day that a drug is available for shipment to pharmacies
17.7 within the state. The Formulary Committee shall recommend to the commissioner general
17.8 criteria to be used for the prior authorization of the drugs, but the committee is not required
17.9 to review each individual drug. In order to continue prior authorizations for a drug after the
17.10 180-day period has expired, the commissioner must follow the provisions of this subdivision.

17.11 ~~(f)~~ (g) Prior authorization under this subdivision shall comply with section 62Q.184.

17.12 ~~(g)~~ (h) Any step therapy protocol requirements established by the commissioner must
17.13 comply with section 62Q.1841.

17.14 Sec. 13. Minnesota Statutes 2022, section 256B.0625, subdivision 13g, is amended to
17.15 read:

17.16 Subd. 13g. **Preferred drug list.** (a) The commissioner shall adopt and implement a
17.17 preferred drug list by January 1, 2004. The commissioner may enter into a contract with a
17.18 vendor for the purpose of participating in a preferred drug list and supplemental rebate
17.19 program. The terms of the contract with the vendor must be publicly disclosed on the website
17.20 of the Department of Human Services. The commissioner shall ensure that any contract
17.21 meets all federal requirements and maximizes federal financial participation. The
17.22 commissioner shall publish the preferred drug list annually in the State Register and shall
17.23 maintain an accurate and up-to-date list on the agency website. The commissioner shall
17.24 implement and maintain an accurate archive of previous versions of the preferred drug list,
17.25 and make this archive available to the public on the website of the Department of Human
17.26 Services beginning January 1, 2024.

17.27 (b) The commissioner may add to, delete from, and otherwise modify the preferred drug
17.28 list, after consulting with the Formulary Committee ~~and~~₂ appropriate medical specialists,
17.29 appropriate patient advocacy groups, and the Minnesota Rare Disease Advisory Council,
17.30 ~~and~~ providing public notice and the opportunity for public comment, and complying with
17.31 the requirements of paragraph (f).

18.1 (c) The commissioner shall adopt and administer the preferred drug list as part of the
18.2 administration of the supplemental drug rebate program. Reimbursement for prescription
18.3 drugs not on the preferred drug list may be subject to prior authorization.

18.4 (d) For purposes of this subdivision, the following definitions apply:

18.5 (1) "appropriate medical specialist" means a medical professional who prescribes the
18.6 relevant class of drug as part of their subspecialty;

18.7 (2) "patient advocacy group" means a nonprofit organization as described in United
18.8 States Code, title 26, section 501(c)(3), that is exempt from income tax under section 501(a),
18.9 or a public entity that supports persons with the disease state treated by the therapeutic class
18.10 of the preferred drug list being updated; and

18.11 (3) "preferred drug list" means a list of prescription drugs within designated therapeutic
18.12 classes selected by the commissioner, for which prior authorization based on the identity
18.13 of the drug or class is not required.

18.14 (e) The commissioner shall seek any federal waivers or approvals necessary to implement
18.15 this subdivision. The commissioner shall maintain a public list of applicable patient advocacy
18.16 groups.

18.17 (f) ~~Notwithstanding paragraph (b),~~ Before the commissioner may delete a drug from the
18.18 preferred drug list or modify the inclusion of a drug on the preferred drug list, the
18.19 commissioner shall consider any implications that the deletion or modification may have
18.20 on state public health policies or initiatives and any impact that the deletion or modification
18.21 may have on increasing health disparities in the state. Prior to deleting a drug or modifying
18.22 the inclusion of a drug, the commissioner shall also conduct a public hearing. The
18.23 commissioner shall provide adequate notice to the public and the commissioner of health
18.24 prior to the hearing that specifies the drug that the commissioner is proposing to delete or
18.25 modify, and shall disclose any public medical or clinical analysis that the commissioner
18.26 has relied on in proposing the deletion or modification, and evidence that the commissioner
18.27 has evaluated the impact of the proposed deletion or modification on public health and
18.28 health disparities. Notwithstanding section 331A.05, a public notice of a Formulary
18.29 Committee meeting must be published at least 30 days in advance of the meeting. The list
18.30 of drugs to be discussed at the meeting must be announced at least 30 days before the meeting
18.31 and must include the name and class of drug, the proposed action, and the proposed prior
18.32 authorization requirements, if applicable.

19.1 Sec. 14. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision
19.2 to read:

19.3 Subd. 13k. **Coverage and payment for pharmacy services.** (a) Medical assistance
19.4 coverage for services provided by a licensed physician must include coverage for services
19.5 provided by a licensed pharmacist to the extent a licensed pharmacist's services are within
19.6 the scope of practice. This requirement applies to services provided (1) under fee-for-service
19.7 medical assistance, and (2) by a managed care plan under section 256B.69 or a county-based
19.8 purchasing plan under section 256B.692.

19.9 (b) The commissioner, and managed care and county-based purchasing plans when
19.10 providing services under sections 256B.69 and 256B.692, must reimburse a participating
19.11 pharmacist or pharmacy for a service that is also within a physician's scope of practice at
19.12 an amount no lower than the standard payment rate that would be applied when reimbursing
19.13 a physician for the service.

19.14 **EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval,
19.15 whichever is later. The commissioner of human services must notify the revisor of statutes
19.16 when federal approval is obtained.

19.17 Sec. 15. Minnesota Statutes 2022, section 256B.0625, subdivision 22, is amended to read:

19.18 Subd. 22. **Hospice care.** Medical assistance covers hospice care services under Public
19.19 Law 99-272, section 9505, to the extent authorized by rule, except that a recipient age 21
19.20 or under who elects to receive hospice services does not waive coverage for services that
19.21 are related to the treatment of the condition for which a diagnosis of terminal illness has
19.22 been made. Hospice respite and end-of-life care under subdivision 22a are not hospice
19.23 services under this subdivision.

19.24 Sec. 16. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision
19.25 to read:

19.26 Subd. 22a. **Residential hospice facility; hospice respite and end-of-life care for**
19.27 **children.** (a) Medical assistance covers hospice respite and end-of-life care if the care is
19.28 for recipients age 21 or under who elect to receive hospice care delivered in a facility that
19.29 is licensed under sections 144A.75 to 144A.755 and that is a residential hospice facility
19.30 under section 144A.75, subdivision 13, paragraph (a). Hospice care services under
19.31 subdivision 22 are not hospice respite or end-of-life care under this subdivision.

20.1 (b) The payment rates for coverage under this subdivision must be 100 percent of the
20.2 Medicare rate for continuous home care hospice services as published in the Centers for
20.3 Medicare and Medicaid Services annual final rule updating payments and policies for hospice
20.4 care. The commissioner shall seek federal financial participation for payment for hospice
20.5 respite and end-of-life care under this subdivision. If federal financial participation is not
20.6 available, payment must be made from state-only funds. Payment for hospice respite and
20.7 end-of-life care must be paid to the residential hospice facility and is not included in any
20.8 limits or cap amounts applicable to hospice services payments to the elected hospice services
20.9 provider.

20.10 (c) Certification of the residential hospice facility by the federal Medicare program must
20.11 not be a requirement of medical assistance payment for hospice respite and end-of-life care
20.12 under this subdivision.

20.13 Sec. 17. Minnesota Statutes 2022, section 256B.0625, subdivision 28b, is amended to
20.14 read:

20.15 Subd. 28b. **Doula services.** Medical assistance covers doula services provided by a
20.16 certified doula as defined in section 148.995, subdivision 2, of the mother's choice. For
20.17 purposes of this section, "doula services" means childbirth education and support services,
20.18 including emotional and physical support provided during pregnancy, labor, birth, and
20.19 postpartum. The commissioner shall enroll doula agencies and individual treating doulas
20.20 to provide direct reimbursement.

20.21 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,
20.22 whichever is later. The commissioner of human services shall notify the revisor of statutes
20.23 when federal approval is obtained.

20.24 Sec. 18. Minnesota Statutes 2022, section 256B.0625, subdivision 30, is amended to read:

20.25 Subd. 30. **Other clinic services.** (a) Medical assistance covers rural health clinic services,
20.26 federally qualified health center services, nonprofit community health clinic services, and
20.27 public health clinic services. Rural health clinic services and federally qualified health center
20.28 services mean services defined in United States Code, title 42, section 1396d(a)(2)(B) and
20.29 (C). Payment for rural health clinic and federally qualified health center services shall be
20.30 made according to applicable federal law and regulation.

20.31 (b) A federally qualified health center (FQHC) that is beginning initial operation shall
20.32 submit an estimate of budgeted costs and visits for the initial reporting period in the form
20.33 and detail required by the commissioner. An FQHC that is already in operation shall submit

21.1 an initial report using actual costs and visits for the initial reporting period. Within 90 days
21.2 of the end of its reporting period, an FQHC shall submit, in the form and detail required by
21.3 the commissioner, a report of its operations, including allowable costs actually incurred for
21.4 the period and the actual number of visits for services furnished during the period, and other
21.5 information required by the commissioner. FQHCs that file Medicare cost reports shall
21.6 provide the commissioner with a copy of the most recent Medicare cost report filed with
21.7 the Medicare program intermediary for the reporting year which support the costs claimed
21.8 on their cost report to the state.

21.9 (c) In order to continue cost-based payment under the medical assistance program
21.10 according to paragraphs (a) and (b), an FQHC or rural health clinic must apply for designation
21.11 as an essential community provider within six months of final adoption of rules by the
21.12 Department of Health according to section 62Q.19, subdivision 7. For those FQHCs and
21.13 rural health clinics that have applied for essential community provider status within the
21.14 six-month time prescribed, medical assistance payments will continue to be made according
21.15 to paragraphs (a) and (b) for the first three years after application. For FQHCs and rural
21.16 health clinics that either do not apply within the time specified above or who have had
21.17 essential community provider status for three years, medical assistance payments for health
21.18 services provided by these entities shall be according to the same rates and conditions
21.19 applicable to the same service provided by health care providers that are not FQHCs or rural
21.20 health clinics.

21.21 (d) Effective July 1, 1999, the provisions of paragraph (c) requiring an FQHC or a rural
21.22 health clinic to make application for an essential community provider designation in order
21.23 to have cost-based payments made according to paragraphs (a) and (b) no longer apply.

21.24 (e) Effective January 1, 2000, payments made according to paragraphs (a) and (b) shall
21.25 be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

21.26 (f) Effective January 1, 2001, through December 31, 2020, each FQHC and rural health
21.27 clinic may elect to be paid either under the prospective payment system established in United
21.28 States Code, title 42, section 1396a(aa), or under an alternative payment methodology
21.29 consistent with the requirements of United States Code, title 42, section 1396a(aa), and
21.30 approved by the Centers for Medicare and Medicaid Services. The alternative payment
21.31 methodology shall be 100 percent of cost as determined according to Medicare cost
21.32 principles.

21.33 (g) Effective for services provided on or after January 1, 2021, all claims for payment
21.34 of clinic services provided by FQHCs and rural health clinics shall be paid by the

22.1 commissioner, according to an annual election by the FQHC or rural health clinic, under
22.2 the current prospective payment system described in paragraph (f) or the alternative payment
22.3 methodology described in paragraph (l), or, upon federal approval, for FQHCs that are also
22.4 urban Indian organizations under Title V of the federal Indian Health Improvement Act, as
22.5 provided under paragraph (k).

22.6 (h) For purposes of this section, "nonprofit community clinic" is a clinic that:

22.7 (1) has nonprofit status as specified in chapter 317A;

22.8 (2) has tax exempt status as provided in Internal Revenue Code, section 501(c)(3);

22.9 (3) is established to provide health services to low-income population groups, uninsured,
22.10 high-risk and special needs populations, underserved and other special needs populations;

22.11 (4) employs professional staff at least one-half of which are familiar with the cultural
22.12 background of their clients;

22.13 (5) charges for services on a sliding fee scale designed to provide assistance to
22.14 low-income clients based on current poverty income guidelines and family size; and

22.15 (6) does not restrict access or services because of a client's financial limitations or public
22.16 assistance status and provides no-cost care as needed.

22.17 (i) Effective for services provided on or after January 1, 2015, all claims for payment
22.18 of clinic services provided by FQHCs and rural health clinics shall be paid by the
22.19 commissioner. the commissioner shall determine the most feasible method for paying claims
22.20 from the following options:

22.21 (1) FQHCs and rural health clinics submit claims directly to the commissioner for
22.22 payment, and the commissioner provides claims information for recipients enrolled in a
22.23 managed care or county-based purchasing plan to the plan, on a regular basis; or

22.24 (2) FQHCs and rural health clinics submit claims for recipients enrolled in a managed
22.25 care or county-based purchasing plan to the plan, and those claims are submitted by the
22.26 plan to the commissioner for payment to the clinic.

22.27 (j) For clinic services provided prior to January 1, 2015, the commissioner shall calculate
22.28 and pay monthly the proposed managed care supplemental payments to clinics, and clinics
22.29 shall conduct a timely review of the payment calculation data in order to finalize all
22.30 supplemental payments in accordance with federal law. Any issues arising from a clinic's
22.31 review must be reported to the commissioner by January 1, 2017. Upon final agreement
22.32 between the commissioner and a clinic on issues identified under this subdivision, and in

23.1 accordance with United States Code, title 42, section 1396a(bb), no supplemental payments
23.2 for managed care plan or county-based purchasing plan claims for services provided prior
23.3 to January 1, 2015, shall be made after June 30, 2017. If the commissioner and clinics are
23.4 unable to resolve issues under this subdivision, the parties shall submit the dispute to the
23.5 arbitration process under section 14.57.

23.6 ~~(k) The commissioner shall seek a federal waiver, authorized under section 1115 of the~~
23.7 ~~Social Security Act, to obtain federal financial participation at the 100 percent federal~~
23.8 ~~matching percentage available to facilities of the Indian Health Service or tribal organization~~
23.9 ~~in accordance with section 1905(b) of the Social Security Act for expenditures made to~~
23.10 ~~organizations dually certified under Title V of the Indian Health Care Improvement Act,~~
23.11 ~~Public Law 94-437, and as a federally qualified health center under paragraph (a) that~~
23.12 ~~provides services to American Indian and Alaskan Native individuals eligible for services~~
23.13 ~~under this subdivision.~~

23.14 (k) The commissioner shall establish an encounter payment rate that is equivalent to the
23.15 all inclusive rate (AIR) payment established by the Indian Health Service and published in
23.16 the Federal Register. The encounter rate must be updated annually and must reflect the
23.17 changes in the AIR established by the Indian Health Service each calendar year. FQHCs
23.18 that are also urban Indian organizations under Title V of the federal Indian Health
23.19 Improvement Act may elect to be paid: (1) at the encounter rate established under this
23.20 paragraph; (2) under the alternative payment methodology described in paragraph (l); or
23.21 (3) under the federally required prospective payment system described in paragraph (f).
23.22 FQHCs that elect to be paid at the encounter rate established under this paragraph must
23.23 continue to meet all state and federal requirements related to FQHCs and urban Indian
23.24 organizations, and must maintain their statuses as FQHCs and urban Indian organizations.

23.25 (l) All claims for payment of clinic services provided by FQHCs and rural health clinics,
23.26 that have elected to be paid under this paragraph, shall be paid by the commissioner according
23.27 to the following requirements:

23.28 (1) the commissioner shall establish a single medical and single dental organization
23.29 encounter rate for each FQHC and rural health clinic when applicable;

23.30 (2) each FQHC and rural health clinic is eligible for same day reimbursement of one
23.31 medical and one dental organization encounter rate if eligible medical and dental visits are
23.32 provided on the same day;

23.33 (3) the commissioner shall reimburse FQHCs and rural health clinics, in accordance
23.34 with current applicable Medicare cost principles, their allowable costs, including direct

24.1 patient care costs and patient-related support services. Nonallowable costs include, but are
24.2 not limited to:

24.3 (i) general social services and administrative costs;

24.4 (ii) retail pharmacy;

24.5 (iii) patient incentives, food, housing assistance, and utility assistance;

24.6 (iv) external lab and x-ray;

24.7 (v) navigation services;

24.8 (vi) health care taxes;

24.9 (vii) advertising, public relations, and marketing;

24.10 (viii) office entertainment costs, food, alcohol, and gifts;

24.11 (ix) contributions and donations;

24.12 (x) bad debts or losses on awards or contracts;

24.13 (xi) fines, penalties, damages, or other settlements;

24.14 (xii) fundraising, investment management, and associated administrative costs;

24.15 (xiii) research and associated administrative costs;

24.16 (xiv) nonpaid workers;

24.17 (xv) lobbying;

24.18 (xvi) scholarships and student aid; and

24.19 (xvii) nonmedical assistance covered services;

24.20 (4) the commissioner shall review the list of nonallowable costs in the years between
24.21 the rebasing process established in clause (5), in consultation with the Minnesota Association
24.22 of Community Health Centers, FQHCs, and rural health clinics. The commissioner shall
24.23 publish the list and any updates in the Minnesota health care programs provider manual;

24.24 (5) the initial applicable base year organization encounter rates for FQHCs and rural
24.25 health clinics shall be computed for services delivered on or after January 1, 2021, and:

24.26 (i) must be determined using each FQHC's and rural health clinic's Medicare cost reports
24.27 from 2017 and 2018;

24.28 (ii) must be according to current applicable Medicare cost principles as applicable to
24.29 FQHCs and rural health clinics without the application of productivity screens and upper

25.1 payment limits or the Medicare prospective payment system FQHC aggregate mean upper
25.2 payment limit;

25.3 (iii) must be subsequently rebased every two years thereafter using the Medicare cost
25.4 reports that are three and four years prior to the rebasing year. Years in which organizational
25.5 cost or claims volume is reduced or altered due to a pandemic, disease, or other public health
25.6 emergency shall not be used as part of a base year when the base year includes more than
25.7 one year. The commissioner may use the Medicare cost reports of a year unaffected by a
25.8 pandemic, disease, or other public health emergency, or previous two consecutive years,
25.9 inflated to the base year as established under item (iv);

25.10 (iv) must be inflated to the base year using the inflation factor described in clause (6);
25.11 and

25.12 (v) the commissioner must provide for a 60-day appeals process under section 14.57;

25.13 (6) the commissioner shall annually inflate the applicable organization encounter rates
25.14 for FQHCs and rural health clinics from the base year payment rate to the effective date by
25.15 using the CMS FQHC Market Basket inflator established under United States Code, title
25.16 42, section 1395m(o), less productivity;

25.17 (7) FQHCs and rural health clinics that have elected the alternative payment methodology
25.18 under this paragraph shall submit all necessary documentation required by the commissioner
25.19 to compute the rebased organization encounter rates no later than six months following the
25.20 date the applicable Medicare cost reports are due to the Centers for Medicare and Medicaid
25.21 Services;

25.22 (8) the commissioner shall reimburse FQHCs and rural health clinics an additional
25.23 amount relative to their medical and dental organization encounter rates that is attributable
25.24 to the tax required to be paid according to section 295.52, if applicable;

25.25 (9) FQHCs and rural health clinics may submit change of scope requests to the
25.26 commissioner if the change of scope would result in an increase or decrease of 2.5 percent
25.27 or higher in the medical or dental organization encounter rate currently received by the
25.28 FQHC or rural health clinic;

25.29 (10) for FQHCs and rural health clinics seeking a change in scope with the commissioner
25.30 under clause (9) that requires the approval of the scope change by the federal Health
25.31 Resources Services Administration:

26.1 (i) FQHCs and rural health clinics shall submit the change of scope request, including
26.2 the start date of services, to the commissioner within seven business days of submission of
26.3 the scope change to the federal Health Resources Services Administration;

26.4 (ii) the commissioner shall establish the effective date of the payment change as the
26.5 federal Health Resources Services Administration date of approval of the FQHC's or rural
26.6 health clinic's scope change request, or the effective start date of services, whichever is
26.7 later; and

26.8 (iii) within 45 days of one year after the effective date established in item (ii), the
26.9 commissioner shall conduct a retroactive review to determine if the actual costs established
26.10 under clause (3) or encounters result in an increase or decrease of 2.5 percent or higher in
26.11 the medical or dental organization encounter rate, and if this is the case, the commissioner
26.12 shall revise the rate accordingly and shall adjust payments retrospectively to the effective
26.13 date established in item (ii);

26.14 (11) for change of scope requests that do not require federal Health Resources Services
26.15 Administration approval, the FQHC and rural health clinic shall submit the request to the
26.16 commissioner before implementing the change, and the effective date of the change is the
26.17 date the commissioner received the FQHC's or rural health clinic's request, or the effective
26.18 start date of the service, whichever is later. The commissioner shall provide a response to
26.19 the FQHC's or rural health clinic's request within 45 days of submission and provide a final
26.20 approval within 120 days of submission. This timeline may be waived at the mutual
26.21 agreement of the commissioner and the FQHC or rural health clinic if more information is
26.22 needed to evaluate the request;

26.23 (12) the commissioner, when establishing organization encounter rates for new FQHCs
26.24 and rural health clinics, shall consider the patient caseload of existing FQHCs and rural
26.25 health clinics in a 60-mile radius for organizations established outside of the seven-county
26.26 metropolitan area, and in a 30-mile radius for organizations in the seven-county metropolitan
26.27 area. If this information is not available, the commissioner may use Medicare cost reports
26.28 or audited financial statements to establish base rates;

26.29 (13) the commissioner shall establish a quality measures workgroup that includes
26.30 representatives from the Minnesota Association of Community Health Centers, FQHCs,
26.31 and rural health clinics, to evaluate clinical and nonclinical measures; and

26.32 (14) the commissioner shall not disallow or reduce costs that are related to an FQHC's
26.33 or rural health clinic's participation in health care educational programs to the extent that

27.1 the costs are not accounted for in the alternative payment methodology encounter rate
27.2 established in this paragraph.

27.3 (m) Effective July 1, 2023, an enrolled Indian health service facility or a Tribal health
27.4 center operating under a 638 contract or compact may elect to also enroll as a Tribal FQHC.
27.5 Requirements that otherwise apply to an FQHC covered in this subdivision do not apply to
27.6 a Tribal FQHC enrolled under this paragraph, except that any requirements necessary to
27.7 comply with federal regulations do apply to a Tribal FQHC. The commissioner shall establish
27.8 an alternative payment method for a Tribal FQHC enrolled under this paragraph that uses
27.9 the same method and rates applicable to a Tribal facility or health center that does not enroll
27.10 as a Tribal FQHC.

27.11 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,
27.12 whichever is later. The commissioner of human services shall notify the revisor of statutes
27.13 when federal approval is obtained.

27.14 Sec. 19. Minnesota Statutes 2022, section 256B.0625, subdivision 31, is amended to read:

27.15 Subd. 31. **Medical supplies and equipment.** (a) Medical assistance covers medical
27.16 supplies and equipment. Separate payment outside of the facility's payment rate shall be
27.17 made for wheelchairs and wheelchair accessories for recipients who are residents of
27.18 intermediate care facilities for the developmentally disabled. Reimbursement for wheelchairs
27.19 and wheelchair accessories for ICF/DD recipients shall be subject to the same conditions
27.20 and limitations as coverage for recipients who do not reside in institutions. A wheelchair
27.21 purchased outside of the facility's payment rate is the property of the recipient.

27.22 (b) Vendors of durable medical equipment, prosthetics, orthotics, or medical supplies
27.23 must enroll as a Medicare provider.

27.24 (c) When necessary to ensure access to durable medical equipment, prosthetics, orthotics,
27.25 or medical supplies, the commissioner may exempt a vendor from the Medicare enrollment
27.26 requirement if:

27.27 (1) the vendor supplies only one type of durable medical equipment, prosthetic, orthotic,
27.28 or medical supply;

27.29 (2) the vendor serves ten or fewer medical assistance recipients per year;

27.30 (3) the commissioner finds that other vendors are not available to provide same or similar
27.31 durable medical equipment, prosthetics, orthotics, or medical supplies; and

28.1 (4) the vendor complies with all screening requirements in this chapter and Code of
28.2 Federal Regulations, title 42, part 455. The commissioner may also exempt a vendor from
28.3 the Medicare enrollment requirement if the vendor is accredited by a Centers for Medicare
28.4 and Medicaid Services approved national accreditation organization as complying with the
28.5 Medicare program's supplier and quality standards and the vendor serves primarily pediatric
28.6 patients.

28.7 (d) Durable medical equipment means a device or equipment that:

28.8 (1) can withstand repeated use;

28.9 (2) is generally not useful in the absence of an illness, injury, or disability; and

28.10 (3) is provided to correct or accommodate a physiological disorder or physical condition
28.11 or is generally used primarily for a medical purpose.

28.12 (e) Electronic tablets may be considered durable medical equipment if the electronic
28.13 tablet will be used as an augmentative and alternative communication system as defined
28.14 under subdivision 31a, paragraph (a). To be covered by medical assistance, the device must
28.15 be locked in order to prevent use not related to communication.

28.16 (f) Notwithstanding the requirement in paragraph (e) that an electronic tablet must be
28.17 locked to prevent use not as an augmentative communication device, a recipient of waiver
28.18 services may use an electronic tablet for a use not related to communication when the
28.19 recipient has been authorized under the waiver to receive one or more additional applications
28.20 that can be loaded onto the electronic tablet, such that allowing the additional use prevents
28.21 the purchase of a separate electronic tablet with waiver funds.

28.22 (g) An order or prescription for medical supplies, equipment, or appliances must meet
28.23 the requirements in Code of Federal Regulations, title 42, part 440.70.

28.24 (h) Allergen-reducing products provided according to subdivision 67, paragraph (c) or
28.25 (d), shall be considered durable medical equipment.

28.26 (i) Seizure detection devices are covered as durable medical equipment under this
28.27 subdivision if:

28.28 (1) the seizure detection device is medically appropriate based on the recipient's medical
28.29 condition or status; and

28.30 (2) the recipient's health care provider has identified that a seizure detection device
28.31 would:

29.1 (i) likely assist in reducing bodily harm to or death of the recipient as a result of the
 29.2 recipient experiencing a seizure; or

29.3 (ii) provide data to the health care provider necessary to appropriately diagnose or treat
 29.4 a health condition of the recipient that causes the seizure activity.

29.5 For purposes of this paragraph, "seizure detection device" means a United States Food and
 29.6 Drug Administration-approved monitoring device and related service or subscription
 29.7 supporting the prescribed use of the device, including technology that provides ongoing
 29.8 patient monitoring and alert services that detect seizure activity and transmit notification
 29.9 of the seizure activity to a caregiver for appropriate medical response or collects data of the
 29.10 seizure activity of the recipient that can be used by a health care provider to diagnose or
 29.11 appropriately treat a health care condition that causes the seizure activity. The medical
 29.12 assistance reimbursement rate for a subscription supporting the prescribed use of a seizure
 29.13 detection device is 60 percent of the rate for monthly remote monitoring under the medical
 29.14 assistance telemonitoring benefit.

29.15 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,
 29.16 whichever is later. The commissioner of human services shall notify the revisor of statutes
 29.17 when federal approval is obtained.

29.18 Sec. 20. Minnesota Statutes 2022, section 256B.0625, subdivision 34, is amended to read:

29.19 Subd. 34. **Indian health services facilities.** ~~(a)~~ Medical assistance payments and
 29.20 MinnesotaCare payments to facilities of the Indian health service and facilities operated by
 29.21 a tribe or tribal organization under funding authorized by United States Code, title 25,
 29.22 sections 450f to 450n, or title III of the Indian Self-Determination and Education Assistance
 29.23 Act, Public Law 93-638, for enrollees who are eligible for federal financial participation,
 29.24 shall be at the option of the facility in accordance with the rate published by the United
 29.25 States Assistant Secretary for Health under the authority of United States Code, title 42,
 29.26 sections 248(a) and 249(b). MinnesotaCare payments for enrollees who are not eligible for
 29.27 federal financial participation at facilities of the Indian health service and facilities operated
 29.28 by a tribe or tribal organization for the provision of outpatient medical services must be in
 29.29 accordance with the medical assistance rates paid for the same services when provided in
 29.30 a facility other than a facility of the Indian health service or a facility operated by a tribe or
 29.31 tribal organization.

29.32 ~~(b) Effective upon federal approval, the medical assistance payments to a dually certified~~
 29.33 ~~facility as defined in subdivision 30, paragraph (j), shall be the encounter rate described in~~
 29.34 ~~paragraph (a) or a rate that is substantially equivalent for services provided to American~~

30.1 ~~Indians and Alaskan Native populations. The rate established under this paragraph for dually~~
30.2 ~~certified facilities shall not apply to MinnesotaCare payments.~~

30.3 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,
30.4 whichever is later. The commissioner of human services shall notify the revisor of statutes
30.5 when federal approval is obtained.

30.6 Sec. 21. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision
30.7 to read:

30.8 Subd. 68. **Biomarker testing.** Medical assistance covers biomarker testing to diagnose,
30.9 treat, manage, and monitor illness or disease. Medical assistance coverage must meet the
30.10 requirements that would otherwise apply to a health plan under section 62Q.473.

30.11 **EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval,
30.12 whichever is later.

30.13 Sec. 22. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision
30.14 to read:

30.15 Subd. 69. **Recuperative care services.** (a) Medical assistance covers recuperative care
30.16 services according to section 256B.0701.

30.17 **EFFECTIVE DATE.** This section is effective January 1, 2024.

30.18 Sec. 23. Minnesota Statutes 2022, section 256B.0631, subdivision 2, is amended to read:

30.19 Subd. 2. **Exceptions.** Co-payments and deductibles shall be subject to the following
30.20 exceptions:

30.21 (1) children under the age of 21;

30.22 (2) pregnant women for services that relate to the pregnancy or any other medical
30.23 condition that may complicate the pregnancy;

30.24 (3) recipients expected to reside for at least 30 days in a hospital, nursing home, or
30.25 intermediate care facility for the developmentally disabled;

30.26 (4) recipients receiving hospice care;

30.27 (5) 100 percent federally funded services provided by an Indian health service;

30.28 (6) emergency services;

31.1 (7) family planning services, including but not limited to the placement and removal of
 31.2 long-acting reversible contraceptives;

31.3 (8) services that are paid by Medicare, resulting in the medical assistance program paying
 31.4 for the coinsurance and deductible;

31.5 (9) co-payments that exceed one per day per provider for nonpreventive visits, eyeglasses,
 31.6 and nonemergency visits to a hospital-based emergency room;

31.7 (10) services, fee-for-service payments subject to volume purchase through competitive
 31.8 bidding;

31.9 (11) American Indians who meet the requirements in Code of Federal Regulations, title
 31.10 42, sections 447.51 and 447.56;

31.11 (12) persons needing treatment for breast or cervical cancer as described under section
 31.12 256B.057, subdivision 10; ~~and~~

31.13 (13) services that currently have a rating of A or B from the United States Preventive
 31.14 Services Task Force (USPSTF), immunizations recommended by the Advisory Committee
 31.15 on Immunization Practices of the Centers for Disease Control and Prevention, and preventive
 31.16 services and screenings provided to women as described in Code of Federal Regulations,
 31.17 title 45, section 147.130; and

31.18 (14) additional diagnostic services or testing that a health care provider determines an
 31.19 enrollee requires after a mammogram, as specified under section 62A.30, subdivision 5.

31.20 **EFFECTIVE DATE.** This section is effective January 1, 2024.

31.21 Sec. 24. **[256B.0701] RECUPERATIVE CARE SERVICES.**

31.22 **Subdivision 1. Definitions.** (a) For purposes of this section, the terms have the meanings
 31.23 given.

31.24 (b) "Provider" means a recuperative care provider as defined by the standards established
 31.25 by the National Institute for Medical Respite Care.

31.26 (c) "Recuperative care" means a model of care that prevents hospitalization or that
 31.27 provides postacute medical care and support services for recipients experiencing
 31.28 homelessness who are too ill or frail to recover from a physical illness or injury while living
 31.29 in a shelter or are otherwise unhoused but who are not sick enough to be hospitalized or
 31.30 remain hospitalized, or to need other levels of care.

32.1 Subd. 2. **Recuperative care settings.** Recuperative care may be provided in any setting,
32.2 including but not limited to homeless shelters, congregate care settings, single room
32.3 occupancy settings, or supportive housing, so long as the provider of recuperative care or
32.4 provider of housing is able to provide to the recipient within the designated setting, at a
32.5 minimum:

32.6 (1) 24-hour access to a bed and bathroom;

32.7 (2) access to three meals a day;

32.8 (3) availability to environmental services;

32.9 (4) access to a telephone;

32.10 (5) a secure place to store belongings; and

32.11 (6) staff available within the setting to provide a wellness check as needed, but at a
32.12 minimum, at least once every 24 hours.

32.13 Subd. 3. **Eligibility.** To be eligible for recuperative care service, a recipient must:

32.14 (1) be 21 years of age or older;

32.15 (2) be experiencing homelessness;

32.16 (3) be in need of short-term acute medical care for a period of no more than 60 days;

32.17 (4) meet clinical criteria, as established by the commissioner, that indicates that the
32.18 recipient needs recuperative care; and

32.19 (5) not have behavioral health needs that are greater than what can be managed by the
32.20 provider within the setting.

32.21 Subd. 4. **Total payment rates.** Total payment rates for recuperative care consist of
32.22 recuperative care services rate and the recuperative care facility rate.

32.23 Subd. 5. **Recuperative care services rate.** The recuperative care services rate is for the
32.24 services provided to the recipient and must be a bundled daily per diem payment of at least
32.25 \$300 per day. Services provided within the bundled payment may include but are not limited
32.26 to:

32.27 (1) basic nursing care, including:

32.28 (i) monitoring a patient's physical health and pain level;

32.29 (ii) providing wound care;

32.30 (iii) medication support;

- 33.1 (iv) patient education;
- 33.2 (v) immunization review and update; and
- 33.3 (vi) establishing clinical goals for the recuperative care period and discharge plan;
- 33.4 (2) care coordination, including:
- 33.5 (i) initial assessment of medical, behavioral, and social needs;
- 33.6 (ii) development of a care plan;
- 33.7 (iii) support and referral assistance for legal services, housing, community social services,
- 33.8 case management, health care benefits, health and other eligible benefits, and transportation
- 33.9 needs and services; and
- 33.10 (iv) monitoring and follow-up to ensure that the care plan is effectively implemented to
- 33.11 address the medical, behavioral, and social needs;
- 33.12 (3) basic behavioral needs, including counseling and peer support, that can be provided
- 33.13 in this recuperative care setting; and
- 33.14 (4) services provided by a community health worker as defined under section 256B.0625,
- 33.15 subdivision 49.
- 33.16 Subd. 6. **Recuperative care facility rate.** (a) The recuperative care facility rate is for
- 33.17 facility costs and must be paid from state funds in an amount equal to the medical assistance
- 33.18 room and board rate at the time the recuperative care services were provided. The eligibility
- 33.19 standards in chapter 256I do not apply to the recuperative care facility rate. The recuperative
- 33.20 care facility rate is only paid when the recuperative care services rate is paid to a provider.
- 33.21 Providers may opt to only receive the recuperative care services rate.
- 33.22 (b) Before a recipient is discharged from a recuperative care setting, the provider must
- 33.23 ensure that the recipient's acute medical condition is stabilized or that the recipient is being
- 33.24 discharged to a setting that is able to meet that recipient's needs.
- 33.25 Subd. 7. **Absent days.** If a recipient is temporarily absent due to an admission at a
- 33.26 residential behavioral health facility, inpatient hospital, or nursing facility for a period of
- 33.27 time exceeding the limits described in subdivision 3, the provider may request in a format
- 33.28 prescribed by the commissioner an absence day limit exception to continue payments until
- 33.29 the recipient is discharged.
- 33.30 Subd. 8. **Report.** (a) The commissioner must submit an initial report to the chairs and
- 33.31 ranking minority members of the legislative committees having jurisdiction over health and

34.1 human services by February 1, 2025, and a final report by February 1, 2027, on coverage
 34.2 of recuperative care services. The reports must include, but are not limited to:

34.3 (1) a list of the recuperative care services in Minnesota and the number of recipients;

34.4 (2) the estimated return on investment, including health care savings due to reduced
 34.5 hospitalizations;

34.6 (3) follow-up information, if available, on whether recipients' hospital visits decreased
 34.7 since recuperative care services were provided compared to before the services were
 34.8 provided; and

34.9 (4) any other information that can be used to determine the effectiveness of the program
 34.10 and its funding, including recommendations for improvements to the program.

34.11 (b) This subdivision expires upon submission of the final report.

34.12 **EFFECTIVE DATE.** This section is effective January 1, 2024.

34.13 Sec. 25. Minnesota Statutes 2022, section 256B.196, subdivision 2, is amended to read:

34.14 Subd. 2. **Commissioner's duties.** (a) For the purposes of this subdivision and subdivision
 34.15 3, the commissioner shall determine the fee-for-service outpatient hospital services upper
 34.16 payment limit for nonstate government hospitals. The commissioner shall then determine
 34.17 the amount of a supplemental payment to Hennepin County Medical Center and Regions
 34.18 Hospital for these services that would increase medical assistance spending in this category
 34.19 to the aggregate upper payment limit for all nonstate government hospitals in Minnesota.
 34.20 In making this determination, the commissioner shall allot the available increases between
 34.21 Hennepin County Medical Center and Regions Hospital based on the ratio of medical
 34.22 assistance fee-for-service outpatient hospital payments to the two facilities. The commissioner
 34.23 shall adjust this allotment as necessary based on federal approvals, the amount of
 34.24 intergovernmental transfers received from Hennepin and Ramsey Counties, and other factors,
 34.25 in order to maximize the additional total payments. The commissioner shall inform Hennepin
 34.26 County and Ramsey County of the periodic intergovernmental transfers necessary to match
 34.27 federal Medicaid payments available under this subdivision in order to make supplementary
 34.28 medical assistance payments to Hennepin County Medical Center and Regions Hospital
 34.29 equal to an amount that when combined with existing medical assistance payments to
 34.30 nonstate governmental hospitals would increase total payments to hospitals in this category
 34.31 for outpatient services to the aggregate upper payment limit for all hospitals in this category
 34.32 in Minnesota. Upon receipt of these periodic transfers, the commissioner shall make
 34.33 supplementary payments to Hennepin County Medical Center and Regions Hospital.

35.1 (b) For the purposes of this subdivision and subdivision 3, the commissioner shall
35.2 determine an upper payment limit for physicians and other billing professionals affiliated
35.3 with Hennepin County Medical Center and with Regions Hospital. The upper payment limit
35.4 shall be based on the average commercial rate or be determined using another method
35.5 acceptable to the Centers for Medicare and Medicaid Services. The commissioner shall
35.6 inform Hennepin County and Ramsey County of the periodic intergovernmental transfers
35.7 necessary to match the federal Medicaid payments available under this subdivision in order
35.8 to make supplementary payments to physicians and other billing professionals affiliated
35.9 with Hennepin County Medical Center and to make supplementary payments to physicians
35.10 and other billing professionals affiliated with Regions Hospital through HealthPartners
35.11 Medical Group equal to the difference between the established medical assistance payment
35.12 for physician and other billing professional services and the upper payment limit. Upon
35.13 receipt of these periodic transfers, the commissioner shall make supplementary payments
35.14 to physicians and other billing professionals affiliated with Hennepin County Medical Center
35.15 and shall make supplementary payments to physicians and other billing professionals
35.16 affiliated with Regions Hospital through HealthPartners Medical Group.

35.17 (c) Beginning January 1, 2010, Ramsey County may make monthly voluntary
35.18 intergovernmental transfers to the commissioner in amounts not to exceed \$6,000,000 per
35.19 year. The commissioner shall increase the medical assistance capitation payments to any
35.20 licensed health plan under contract with the medical assistance program that agrees to make
35.21 enhanced payments to Regions Hospital. The increase shall be in an amount equal to the
35.22 annual value of the monthly transfers plus federal financial participation, with each health
35.23 plan receiving its pro rata share of the increase based on the pro rata share of medical
35.24 assistance admissions to Regions Hospital by those plans. For the purposes of this paragraph,
35.25 "the base amount" means the total annual value of increased medical assistance capitation
35.26 payments, including the voluntary intergovernmental transfers, under this paragraph in
35.27 calendar year 2017. For managed care contracts beginning on or after January 1, 2018, the
35.28 commissioner shall reduce the total annual value of increased medical assistance capitation
35.29 payments under this paragraph by an amount equal to ten percent of the base amount, and
35.30 by an additional ten percent of the base amount for each subsequent contract year until
35.31 December 31, 2025. Upon the request of the commissioner, health plans shall submit
35.32 individual-level cost data for verification purposes. The commissioner may ratably reduce
35.33 these payments on a pro rata basis in order to satisfy federal requirements for actuarial
35.34 soundness. If payments are reduced, transfers shall be reduced accordingly. Any licensed
35.35 health plan that receives increased medical assistance capitation payments under the
35.36 intergovernmental transfer described in this paragraph shall increase its medical assistance

36.1 payments to Regions Hospital by the same amount as the increased payments received in
36.2 the capitation payment described in this paragraph. This paragraph expires January 1, 2026.

36.3 (d) For the purposes of this subdivision and subdivision 3, the commissioner shall
36.4 determine an upper payment limit for ambulance services affiliated with Hennepin County
36.5 Medical Center and the city of St. Paul, and ambulance services owned and operated by
36.6 another governmental entity that chooses to participate by requesting the commissioner to
36.7 determine an upper payment limit. The upper payment limit shall be based on the average
36.8 commercial rate or be determined using another method acceptable to the Centers for
36.9 Medicare and Medicaid Services. The commissioner shall inform Hennepin County, the
36.10 city of St. Paul, and other participating governmental entities of the periodic
36.11 intergovernmental transfers necessary to match the federal Medicaid payments available
36.12 under this subdivision in order to make supplementary payments to Hennepin County
36.13 Medical Center, the city of St. Paul, and other participating governmental entities equal to
36.14 the difference between the established medical assistance payment for ambulance services
36.15 and the upper payment limit. Upon receipt of these periodic transfers, the commissioner
36.16 shall make supplementary payments to Hennepin County Medical Center, the city of St.
36.17 Paul, and other participating governmental entities. A tribal government that owns and
36.18 operates an ambulance service is not eligible to participate under this subdivision.

36.19 (e) For the purposes of this subdivision and subdivision 3, the commissioner shall
36.20 determine an upper payment limit for physicians, dentists, and other billing professionals
36.21 affiliated with the University of Minnesota and University of Minnesota Physicians. The
36.22 upper payment limit shall be based on the average commercial rate or be determined using
36.23 another method acceptable to the Centers for Medicare and Medicaid Services. The
36.24 commissioner shall inform the University of Minnesota Medical School and University of
36.25 Minnesota School of Dentistry of the periodic intergovernmental transfers necessary to
36.26 match the federal Medicaid payments available under this subdivision in order to make
36.27 supplementary payments to physicians, dentists, and other billing professionals affiliated
36.28 with the University of Minnesota and the University of Minnesota Physicians equal to the
36.29 difference between the established medical assistance payment for physician, dentist, and
36.30 other billing professional services and the upper payment limit. Upon receipt of these periodic
36.31 transfers, the commissioner shall make supplementary payments to physicians, dentists,
36.32 and other billing professionals affiliated with the University of Minnesota and the University
36.33 of Minnesota Physicians.

36.34 (f) The commissioner shall inform the transferring governmental entities on an ongoing
36.35 basis of the need for any changes needed in the intergovernmental transfers in order to

37.1 continue the payments under paragraphs (a) to (e), at their maximum level, including
37.2 increases in upper payment limits, changes in the federal Medicaid match, and other factors.

37.3 (g) The payments in paragraphs (a) to (e) shall be implemented independently of each
37.4 other, subject to federal approval and to the receipt of transfers under subdivision 3.

37.5 (h) All of the data and funding transactions related to the payments in paragraphs (a) to
37.6 (e) shall be between the commissioner and the governmental entities. The commissioner
37.7 shall not make payments to governmental entities eligible to receive payments described
37.8 in paragraphs (a) to (e) that fail to submit the data needed to compute the payments within
37.9 24 months of the initial request from the commissioner.

37.10 (i) For purposes of this subdivision, billing professionals are limited to physicians, nurse
37.11 practitioners, nurse midwives, clinical nurse specialists, physician assistants,
37.12 anesthesiologists, certified registered nurse anesthetists, dentists, dental hygienists, and
37.13 dental therapists.

37.14 **EFFECTIVE DATE.** This section is effective July 1, 2023.

37.15 Sec. 26. Minnesota Statutes 2022, section 256B.69, subdivision 4, is amended to read:

37.16 Subd. 4. **Limitation of choice; opportunity to opt out.** (a) The commissioner shall
37.17 develop criteria to determine when limitation of choice may be implemented in the
37.18 experimental counties, but shall provide all eligible individuals the opportunity to opt out
37.19 of enrollment in managed care under this section. The criteria shall ensure that all eligible
37.20 individuals in the county have continuing access to the full range of medical assistance
37.21 services as specified in subdivision 6.

37.22 (b) The commissioner shall exempt the following persons from participation in the
37.23 project, in addition to those who do not meet the criteria for limitation of choice:

37.24 (1) persons eligible for medical assistance according to section 256B.055, subdivision
37.25 1;

37.26 (2) persons eligible for medical assistance due to blindness or disability as determined
37.27 by the Social Security Administration or the state medical review team, unless:

37.28 (i) they are 65 years of age or older; or

37.29 (ii) they reside in Itasca County or they reside in a county in which the commissioner
37.30 conducts a pilot project under a waiver granted pursuant to section 1115 of the Social
37.31 Security Act;

38.1 (3) recipients who currently have private coverage through a health maintenance
38.2 organization;

38.3 (4) recipients who are eligible for medical assistance by spending down excess income
38.4 for medical expenses other than the nursing facility per diem expense;

38.5 (5) recipients who receive benefits under the Refugee Assistance Program, established
38.6 under United States Code, title 8, section 1522(e);

38.7 (6) children who are both determined to be severely emotionally disturbed and receiving
38.8 case management services according to section 256B.0625, subdivision 20, except children
38.9 who are eligible for and who decline enrollment in an approved preferred integrated network
38.10 under section 245.4682;

38.11 (7) adults who are both determined to be seriously and persistently mentally ill and
38.12 received case management services according to section 256B.0625, subdivision 20;

38.13 (8) persons eligible for medical assistance according to section 256B.057, subdivision
38.14 10;

38.15 (9) persons with access to cost-effective employer-sponsored private health insurance
38.16 or persons enrolled in a non-Medicare individual health plan determined to be cost-effective
38.17 according to section 256B.0625, subdivision 15; and

38.18 (10) persons who are absent from the state for more than 30 consecutive days but still
38.19 deemed a resident of Minnesota, identified in accordance with section 256B.056, subdivision
38.20 1, paragraph (b).

38.21 Children under age 21 who are in foster placement may enroll in the project on an elective
38.22 basis. Individuals excluded under clauses (1), (6), and (7) may choose to enroll on an elective
38.23 basis. The commissioner may enroll recipients in the prepaid medical assistance program
38.24 for seniors who are (1) age 65 and over, and (2) eligible for medical assistance by spending
38.25 down excess income.

38.26 (c) The commissioner may allow persons with a one-month spenddown who are otherwise
38.27 eligible to enroll to voluntarily enroll or remain enrolled, if they elect to prepay their monthly
38.28 spenddown to the state.

38.29 (d) The commissioner may require, subject to the opt-out provision under paragraph (a),
38.30 those individuals to enroll in the prepaid medical assistance program who otherwise would
38.31 have been excluded under paragraph (b), clauses (1), (3), and (8), and under Minnesota
38.32 Rules, part 9500.1452, subpart 2, items H, K, and L.

39.1 (e) Before limitation of choice is implemented, eligible individuals shall be notified and
39.2 given the opportunity to opt out of managed care enrollment. After notification, those
39.3 individuals who choose not to opt out shall be allowed to choose only among demonstration
39.4 providers. The commissioner may assign an individual with private coverage through a
39.5 health maintenance organization, to the same health maintenance organization for medical
39.6 assistance coverage, if the health maintenance organization is under contract for medical
39.7 assistance in the individual's county of residence. After initially choosing a provider, the
39.8 recipient is allowed to change that choice only at specified times as allowed by the
39.9 commissioner. If a demonstration provider ends participation in the project for any reason,
39.10 a recipient enrolled with that provider must select a new provider but may change providers
39.11 without cause once more within the first 60 days after enrollment with the second provider.

39.12 (f) An infant born to a woman who is eligible for and receiving medical assistance and
39.13 who is enrolled in the prepaid medical assistance program shall be retroactively enrolled to
39.14 the month of birth in the same managed care plan as the mother once the child is enrolled
39.15 in medical assistance unless the child is determined to be excluded from enrollment in a
39.16 prepaid plan under this section.

39.17 **EFFECTIVE DATE.** This section is effective January 1, 2024.

39.18 Sec. 27. Minnesota Statutes 2022, section 256B.69, subdivision 5a, is amended to read:

39.19 Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and
39.20 section 256L.12 shall be entered into or renewed on a calendar year basis. The commissioner
39.21 may issue separate contracts with requirements specific to services to medical assistance
39.22 recipients age 65 and older.

39.23 (b) A prepaid health plan providing covered health services for eligible persons pursuant
39.24 to chapters 256B and 256L is responsible for complying with the terms of its contract with
39.25 the commissioner. Requirements applicable to managed care programs under chapters 256B
39.26 and 256L established after the effective date of a contract with the commissioner take effect
39.27 when the contract is next issued or renewed.

39.28 (c) The commissioner shall withhold five percent of managed care plan payments under
39.29 this section and county-based purchasing plan payments under section 256B.692 for the
39.30 prepaid medical assistance program pending completion of performance targets. Each
39.31 performance target must be quantifiable, objective, measurable, and reasonably attainable,
39.32 except in the case of a performance target based on a federal or state law or rule. Criteria
39.33 for assessment of each performance target must be outlined in writing prior to the contract
39.34 effective date. Clinical or utilization performance targets and their related criteria must

40.1 consider evidence-based research and reasonable interventions when available or applicable
40.2 to the populations served, and must be developed with input from external clinical experts
40.3 and stakeholders, including managed care plans, county-based purchasing plans, and
40.4 providers. The managed care or county-based purchasing plan must demonstrate, to the
40.5 commissioner's satisfaction, that the data submitted regarding attainment of the performance
40.6 target is accurate. The commissioner shall periodically change the administrative measures
40.7 used as performance targets in order to improve plan performance across a broader range
40.8 of administrative services. The performance targets must include measurement of plan
40.9 efforts to contain spending on health care services and administrative activities. The
40.10 commissioner may adopt plan-specific performance targets that take into account factors
40.11 affecting only one plan, including characteristics of the plan's enrollee population. The
40.12 withheld funds must be returned no sooner than July of the following year if performance
40.13 targets in the contract are achieved. The commissioner may exclude special demonstration
40.14 projects under subdivision 23.

40.15 (d) The commissioner shall require that managed care plans:

40.16 (1) use the assessment and authorization processes, forms, timelines, standards,
40.17 documentation, and data reporting requirements, protocols, billing processes, and policies
40.18 consistent with medical assistance fee-for-service or the Department of Human Services
40.19 contract requirements for all personal care assistance services under section 256B.0659 and
40.20 community first services and supports under section 256B.85; and

40.21 (2) by January 30 of each year that follows a rate increase for any aspect of services
40.22 under section 256B.0659 or 256B.85, inform the commissioner and the chairs and ranking
40.23 minority members of the legislative committees with jurisdiction over rates determined
40.24 under section 256B.851 of the amount of the rate increase that is paid to each personal care
40.25 assistance provider agency with which the plan has a contract.

40.26 ~~(e) Effective for services rendered on or after January 1, 2012, the commissioner shall~~
40.27 ~~include as part of the performance targets described in paragraph (e) a reduction in the health~~
40.28 ~~plan's emergency department utilization rate for medical assistance and MinnesotaCare~~
40.29 ~~enrollees, as determined by the commissioner. For 2012, the reduction shall be based on~~
40.30 ~~the health plan's utilization in 2009. To earn the return of the withhold each subsequent~~
40.31 ~~year, the managed care plan or county-based purchasing plan must achieve a qualifying~~
40.32 ~~reduction of no less than ten percent of the plan's emergency department utilization rate for~~
40.33 ~~medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described~~
40.34 ~~in subdivisions 23 and 28, compared to the previous measurement year until the final~~
40.35 ~~performance target is reached. When measuring performance, the commissioner must~~

41.1 ~~consider the difference in health risk in a managed care or county-based purchasing plan's~~
41.2 ~~membership in the baseline year compared to the measurement year, and work with the~~
41.3 ~~managed care or county-based purchasing plan to account for differences that they agree~~
41.4 ~~are significant.~~

41.5 ~~The withheld funds must be returned no sooner than July 1 and no later than July 31 of~~
41.6 ~~the following calendar year if the managed care plan or county-based purchasing plan~~
41.7 ~~demonstrates to the satisfaction of the commissioner that a reduction in the utilization rate~~
41.8 ~~was achieved. The commissioner shall structure the withhold so that the commissioner~~
41.9 ~~returns a portion of the withheld funds in amounts commensurate with achieved reductions~~
41.10 ~~in utilization less than the targeted amount.~~

41.11 ~~The withhold described in this paragraph shall continue for each consecutive contract~~
41.12 ~~period until the plan's emergency room utilization rate for state health care program enrollees~~
41.13 ~~is reduced by 25 percent of the plan's emergency room utilization rate for medical assistance~~
41.14 ~~and MinnesotaCare enrollees for calendar year 2009. Hospitals shall cooperate with the~~
41.15 ~~health plans in meeting this performance target and shall accept payment withholds that~~
41.16 ~~may be returned to the hospitals if the performance target is achieved.~~

41.17 ~~(f) Effective for services rendered on or after January 1, 2012, the commissioner shall~~
41.18 ~~include as part of the performance targets described in paragraph (c) a reduction in the plan's~~
41.19 ~~hospitalization admission rate for medical assistance and MinnesotaCare enrollees, as~~
41.20 ~~determined by the commissioner. To earn the return of the withhold each year, the managed~~
41.21 ~~care plan or county-based purchasing plan must achieve a qualifying reduction of no less~~
41.22 ~~than five percent of the plan's hospital admission rate for medical assistance and~~
41.23 ~~MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and~~
41.24 ~~28, compared to the previous calendar year until the final performance target is reached.~~
41.25 ~~When measuring performance, the commissioner must consider the difference in health risk~~
41.26 ~~in a managed care or county-based purchasing plan's membership in the baseline year~~
41.27 ~~compared to the measurement year, and work with the managed care or county-based~~
41.28 ~~purchasing plan to account for differences that they agree are significant.~~

41.29 ~~The withheld funds must be returned no sooner than July 1 and no later than July 31 of~~
41.30 ~~the following calendar year if the managed care plan or county-based purchasing plan~~
41.31 ~~demonstrates to the satisfaction of the commissioner that this reduction in the hospitalization~~
41.32 ~~rate was achieved. The commissioner shall structure the withhold so that the commissioner~~
41.33 ~~returns a portion of the withheld funds in amounts commensurate with achieved reductions~~
41.34 ~~in utilization less than the targeted amount.~~

42.1 ~~The withhold described in this paragraph shall continue until there is a 25 percent~~
42.2 ~~reduction in the hospital admission rate compared to the hospital admission rates in calendar~~
42.3 ~~year 2011, as determined by the commissioner. The hospital admissions in this performance~~
42.4 ~~target do not include the admissions applicable to the subsequent hospital admission~~
42.5 ~~performance target under paragraph (g). Hospitals shall cooperate with the plans in meeting~~
42.6 ~~this performance target and shall accept payment withholds that may be returned to the~~
42.7 ~~hospitals if the performance target is achieved.~~

42.8 ~~(g) Effective for services rendered on or after January 1, 2012, the commissioner shall~~
42.9 ~~include as part of the performance targets described in paragraph (c) a reduction in the plan's~~
42.10 ~~hospitalization admission rates for subsequent hospitalizations within 30 days of a previous~~
42.11 ~~hospitalization of a patient regardless of the reason, for medical assistance and MinnesotaCare~~
42.12 ~~enrollees, as determined by the commissioner. To earn the return of the withhold each year,~~
42.13 ~~the managed care plan or county-based purchasing plan must achieve a qualifying reduction~~
42.14 ~~of the subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees,~~
42.15 ~~excluding enrollees in programs described in subdivisions 23 and 28, of no less than five~~
42.16 ~~percent compared to the previous calendar year until the final performance target is reached.~~

42.17 ~~The withheld funds must be returned no sooner than July 1 and no later than July 31 of~~
42.18 ~~the following calendar year if the managed care plan or county-based purchasing plan~~
42.19 ~~demonstrates to the satisfaction of the commissioner that a qualifying reduction in the~~
42.20 ~~subsequent hospitalization rate was achieved. The commissioner shall structure the withhold~~
42.21 ~~so that the commissioner returns a portion of the withheld funds in amounts commensurate~~
42.22 ~~with achieved reductions in utilization less than the targeted amount.~~

42.23 ~~The withhold described in this paragraph must continue for each consecutive contract~~
42.24 ~~period until the plan's subsequent hospitalization rate for medical assistance and~~
42.25 ~~MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and~~
42.26 ~~28, is reduced by 25 percent of the plan's subsequent hospitalization rate for calendar year~~
42.27 ~~2011. Hospitals shall cooperate with the plans in meeting this performance target and shall~~
42.28 ~~accept payment withholds that must be returned to the hospitals if the performance target~~
42.29 ~~is achieved.~~

42.30 ~~(h) (e) Effective for services rendered on or after January 1, 2013, through December~~
42.31 ~~31, 2013, the commissioner shall withhold 4.5 percent of managed care plan payments under~~
42.32 ~~this section and county-based purchasing plan payments under section 256B.692 for the~~
42.33 ~~prepaid medical assistance program. The withheld funds must be returned no sooner than~~
42.34 ~~July 1 and no later than July 31 of the following year. The commissioner may exclude~~
42.35 ~~special demonstration projects under subdivision 23.~~

43.1 ~~(f)~~ (f) Effective for services rendered on or after January 1, 2014, the commissioner shall
 43.2 withhold three percent of managed care plan payments under this section and county-based
 43.3 purchasing plan payments under section 256B.692 for the prepaid medical assistance
 43.4 program. The withheld funds must be returned no sooner than July 1 and no later than July
 43.5 31 of the following year. The commissioner may exclude special demonstration projects
 43.6 under subdivision 23.

43.7 ~~(g)~~ (g) A managed care plan or a county-based purchasing plan under section 256B.692
 43.8 may include as admitted assets under section 62D.044 any amount withheld under this
 43.9 section that is reasonably expected to be returned.

43.10 ~~(h)~~ (h) Contracts between the commissioner and a prepaid health plan are exempt from
 43.11 the set-aside and preference provisions of section 16C.16, subdivisions 6, paragraph (a),
 43.12 and 7.

43.13 ~~(i)~~ (i) The return of the withhold under paragraphs (h) and (i) is not subject to the
 43.14 requirements of paragraph (c).

43.15 ~~(j)~~ (j) Managed care plans and county-based purchasing plans shall maintain current
 43.16 and fully executed agreements for all subcontractors, including bargaining groups, for
 43.17 administrative services that are expensed to the state's public health care programs.
 43.18 Subcontractor agreements determined to be material, as defined by the commissioner after
 43.19 taking into account state contracting and relevant statutory requirements, must be in the
 43.20 form of a written instrument or electronic document containing the elements of offer,
 43.21 acceptance, consideration, payment terms, scope, duration of the contract, and how the
 43.22 subcontractor services relate to state public health care programs. Upon request, the
 43.23 commissioner shall have access to all subcontractor documentation under this paragraph.
 43.24 Nothing in this paragraph shall allow release of information that is nonpublic data pursuant
 43.25 to section 13.02.

43.26 **EFFECTIVE DATE.** This section is effective January 1, 2025.

43.27 Sec. 28. Minnesota Statutes 2022, section 256B.69, subdivision 6d, is amended to read:

43.28 Subd. 6d. **Prescription drugs.** (a) The commissioner ~~may~~ shall exclude or modify
 43.29 coverage for outpatient prescription drugs dispensed by a pharmacy to a medical assistance
 43.30 or MinnesotaCare enrollee from the prepaid managed care contracts entered into under this
 43.31 ~~section in order to increase savings to the state by collecting additional prescription drug~~
 43.32 ~~rebates. The contracts must maintain incentives for the managed care plan to manage drug~~
 43.33 ~~costs and utilization and may require that the managed care plans maintain an open drug~~

44.1 ~~formulary. In order to manage drug costs and utilization, the contracts may authorize the~~
 44.2 ~~managed care plans to use preferred drug lists and prior authorization. This subdivision is~~
 44.3 ~~contingent on federal approval of the managed care contract changes and the collection of~~
 44.4 ~~additional prescription drug rebates~~ chapter and chapter 256L. The commissioner may
 44.5 include, exclude, or modify coverage for prescription drugs administered to a medical
 44.6 assistance or MinnesotaCare enrollee from the prepaid managed care contracts entered into
 44.7 under this chapter and chapter 256L.

44.8 (b) Managed care plans and county-based purchasing plans shall reimburse pharmacies
 44.9 for drug costs at a level not to exceed the reimbursement rate in section 256B.0625,
 44.10 subdivision 13e, paragraphs (a), (d), and (f), excluding the 340B drug program ceiling price
 44.11 limit, and shall pay a dispensing fee equal to the fee-for-service dispensing fee in section
 44.12 256B.0625, subdivision 13e, paragraph (a), for outpatient drugs dispensed to enrollees.
 44.13 Contracts between managed care plans and county-based purchasing plans and providers
 44.14 to whom this paragraph applies must allow recovery of payments from those providers if
 44.15 capitation rates are adjusted in accordance with this paragraph. Payment recoveries must
 44.16 not exceed an amount equal to any increase in rates that results from this provision. This
 44.17 paragraph shall not be implemented if federal approval is not received for this paragraph,
 44.18 or if federal approval is withdrawn at any time.

44.19 **EFFECTIVE DATE.** The amendments to paragraph (a) are effective January 1, 2026,
 44.20 or the January 1 following certification of the modernized pharmacy claims processing
 44.21 system, whichever is later. Paragraph (b) is effective January 1, 2024, or upon federal
 44.22 approval, whichever is later. The commissioner must inform the revisor of statutes when
 44.23 federal approval is obtained.

44.24 Sec. 29. Minnesota Statutes 2022, section 256B.69, subdivision 28, is amended to read:

44.25 Subd. 28. **Medicare special needs plans; medical assistance basic health care.** (a)
 44.26 The commissioner may contract with demonstration providers and current or former sponsors
 44.27 of qualified Medicare-approved special needs plans, to provide medical assistance basic
 44.28 health care services to persons with disabilities, including those with developmental
 44.29 disabilities. Basic health care services include:

44.30 (1) those services covered by the medical assistance state plan except for ICF/DD services,
 44.31 home and community-based waiver services, case management for persons with
 44.32 developmental disabilities under section 256B.0625, subdivision 20a, and personal care and
 44.33 certain home care services defined by the commissioner in consultation with the stakeholder
 44.34 group established under paragraph (d); and

45.1 (2) basic health care services may also include risk for up to 100 days of nursing facility
45.2 services for persons who reside in a noninstitutional setting and home health services related
45.3 to rehabilitation as defined by the commissioner after consultation with the stakeholder
45.4 group.

45.5 The commissioner may exclude other medical assistance services from the basic health
45.6 care benefit set. Enrollees in these plans can access any excluded services on the same basis
45.7 as other medical assistance recipients who have not enrolled.

45.8 (b) The commissioner may contract with demonstration providers and current and former
45.9 sponsors of qualified Medicare special needs plans, to provide basic health care services
45.10 under medical assistance to persons who are dually eligible for both Medicare and Medicaid
45.11 and those Social Security beneficiaries eligible for Medicaid but in the waiting period for
45.12 Medicare. The commissioner shall consult with the stakeholder group under paragraph (d)
45.13 in developing program specifications for these services. Payment for Medicaid services
45.14 provided under this subdivision for the months of May and June will be made no earlier
45.15 than July 1 of the same calendar year.

45.16 (c) ~~Notwithstanding subdivision 4, beginning January 1, 2012,~~ The commissioner shall
45.17 enroll persons with disabilities in managed care under this section, unless the individual
45.18 chooses to opt out of enrollment. The commissioner shall establish enrollment and opt out
45.19 procedures consistent with applicable enrollment procedures under this section.

45.20 (d) The commissioner shall establish a state-level stakeholder group to provide advice
45.21 on managed care programs for persons with disabilities, including both MnDHO and contracts
45.22 with special needs plans that provide basic health care services as described in paragraphs
45.23 (a) and (b). The stakeholder group shall provide advice on program expansions under this
45.24 subdivision and subdivision 23, including:

45.25 (1) implementation efforts;

45.26 (2) consumer protections; and

45.27 (3) program specifications such as quality assurance measures, data collection and
45.28 reporting, and evaluation of costs, quality, and results.

45.29 (e) Each plan under contract to provide medical assistance basic health care services
45.30 shall establish a local or regional stakeholder group, including representatives of the counties
45.31 covered by the plan, members, consumer advocates, and providers, for advice on issues that
45.32 arise in the local or regional area.

46.1 (f) The commissioner is prohibited from providing the names of potential enrollees to
46.2 health plans for marketing purposes. The commissioner shall mail no more than two sets
46.3 of marketing materials per contract year to potential enrollees on behalf of health plans, at
46.4 the health plan's request. The marketing materials shall be mailed by the commissioner
46.5 within 30 days of receipt of these materials from the health plan. The health plans shall
46.6 cover any costs incurred by the commissioner for mailing marketing materials.

46.7 **EFFECTIVE DATE.** This section is effective January 1, 2024.

46.8 Sec. 30. Minnesota Statutes 2022, section 256B.69, subdivision 36, is amended to read:

46.9 Subd. 36. **Enrollee support system.** (a) The commissioner shall establish an enrollee
46.10 support system that provides support to an enrollee before and during enrollment in a
46.11 managed care plan.

46.12 (b) The enrollee support system must:

46.13 (1) provide access to counseling for each potential enrollee on choosing a managed care
46.14 plan or opting out of managed care;

46.15 (2) assist an enrollee in understanding enrollment in a managed care plan;

46.16 (3) provide an access point for complaints regarding enrollment, covered services, and
46.17 other related matters;

46.18 (4) provide information on an enrollee's grievance and appeal rights within the managed
46.19 care organization and the state's fair hearing process, including an enrollee's rights and
46.20 responsibilities; and

46.21 (5) provide assistance to an enrollee, upon request, in navigating the grievance and
46.22 appeals process within the managed care organization and in appealing adverse benefit
46.23 determinations made by the managed care organization to the state's fair hearing process
46.24 after the managed care organization's internal appeals process has been exhausted. Assistance
46.25 does not include providing representation to an enrollee at the state's fair hearing, but may
46.26 include a referral to appropriate legal representation sources.

46.27 (c) Outreach to enrollees through the support system must be accessible to an enrollee
46.28 through multiple formats, including telephone, Internet, in-person, and, if requested, through
46.29 auxiliary aids and services.

46.30 (d) The commissioner may designate enrollment brokers to assist enrollees on selecting
46.31 a managed care organization and providing necessary enrollment information. For purposes
46.32 of this subdivision, "enrollment broker" means an individual or entity that performs choice

47.1 counseling or enrollment activities in accordance with Code of Federal Regulations, part
47.2 42, section 438.810, or both.

47.3 **EFFECTIVE DATE.** This section is effective January 1, 2024.

47.4 Sec. 31. Minnesota Statutes 2022, section 256B.692, subdivision 1, is amended to read:

47.5 Subdivision 1. **In general.** County boards or groups of county boards may elect to
47.6 purchase or provide health care services on behalf of persons eligible for medical assistance
47.7 who would otherwise be required to or may elect to participate in the prepaid medical
47.8 assistance program according to section 256B.69, subject to the opt-out provision of section
47.9 256B.69, subdivision 4, paragraph (a). Counties that elect to purchase or provide health
47.10 care under this section must provide all services included in prepaid managed care programs
47.11 according to section 256B.69, subdivisions 1 to 22. County-based purchasing under this
47.12 section is governed by section 256B.69, unless otherwise provided for under this section.

47.13 **EFFECTIVE DATE.** This section is effective January 1, 2024.

47.14 Sec. 32. Minnesota Statutes 2022, section 256B.75, is amended to read:

47.15 **256B.75 HOSPITAL OUTPATIENT REIMBURSEMENT.**

47.16 (a) For outpatient hospital facility fee payments for services rendered on or after October
47.17 1, 1992, the commissioner of human services shall pay the lower of (1) submitted charge,
47.18 or (2) 32 percent above the rate in effect on June 30, 1992, except for those services for
47.19 which there is a federal maximum allowable payment. Effective for services rendered on
47.20 or after January 1, 2000, payment rates for nonsurgical outpatient hospital facility fees and
47.21 emergency room facility fees shall be increased by eight percent over the rates in effect on
47.22 December 31, 1999, except for those services for which there is a federal maximum allowable
47.23 payment. Services for which there is a federal maximum allowable payment shall be paid
47.24 at the lower of (1) submitted charge, or (2) the federal maximum allowable payment. Total
47.25 aggregate payment for outpatient hospital facility fee services shall not exceed the Medicare
47.26 upper limit. If it is determined that a provision of this section conflicts with existing or
47.27 future requirements of the United States government with respect to federal financial
47.28 participation in medical assistance, the federal requirements prevail. The commissioner
47.29 may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial
47.30 participation resulting from rates that are in excess of the Medicare upper limitations.

47.31 (b) Notwithstanding paragraph (a), payment for outpatient, emergency, and ambulatory
47.32 surgery hospital facility fee services for critical access hospitals designated under section

48.1 144.1483, clause (9), shall be paid on a cost-based payment system that is based on the
48.2 cost-finding methods and allowable costs of the Medicare program. Effective for services
48.3 provided on or after July 1, 2015, rates established for critical access hospitals under this
48.4 paragraph for the applicable payment year shall be the final payment and shall not be settled
48.5 to actual costs. Effective for services delivered on or after the first day of the hospital's fiscal
48.6 year ending in 2017, the rate for outpatient hospital services shall be computed using
48.7 information from each hospital's Medicare cost report as filed with Medicare for the year
48.8 that is two years before the year that the rate is being computed. Rates shall be computed
48.9 using information from Worksheet C series until the department finalizes the medical
48.10 assistance cost reporting process for critical access hospitals. After the cost reporting process
48.11 is finalized, rates shall be computed using information from Title XIX Worksheet D series.
48.12 The outpatient rate shall be equal to ancillary cost plus outpatient cost, excluding costs
48.13 related to rural health clinics and federally qualified health clinics, divided by ancillary
48.14 charges plus outpatient charges, excluding charges related to rural health clinics and federally
48.15 qualified health clinics.

48.16 (c) The rate described in paragraph (b) shall be increased for hospitals providing high
48.17 levels of 340B drugs. The rate adjustment shall be based on each hospital's share of the total
48.18 reimbursement for 340B drugs to all critical access hospitals, but shall not exceed ...
48.19 percentage points.

48.20 ~~(e)~~ (d) Effective for services provided on or after July 1, 2003, rates that are based on
48.21 the Medicare outpatient prospective payment system shall be replaced by a budget neutral
48.22 prospective payment system that is derived using medical assistance data. The commissioner
48.23 shall provide a proposal to the 2003 legislature to define and implement this provision.
48.24 When implementing prospective payment methodologies, the commissioner shall use general
48.25 methods and rate calculation parameters similar to the applicable Medicare prospective
48.26 payment systems for services delivered in outpatient hospital and ambulatory surgical center
48.27 settings unless other payment methodologies for these services are specified in this chapter.

48.28 ~~(d)~~ (e) For fee-for-service services provided on or after July 1, 2002, the total payment,
48.29 before third-party liability and spenddown, made to hospitals for outpatient hospital facility
48.30 services is reduced by .5 percent from the current statutory rate.

48.31 ~~(e)~~ (f) In addition to the reduction in paragraph (d), the total payment for fee-for-service
48.32 services provided on or after July 1, 2003, made to hospitals for outpatient hospital facility
48.33 services before third-party liability and spenddown, is reduced five percent from the current
48.34 statutory rates. Facilities defined under section 256.969, subdivision 16, are excluded from
48.35 this paragraph.

49.1 ~~(f)~~ (g) In addition to the reductions in paragraphs (d) and (e), the total payment for
 49.2 fee-for-service services provided on or after July 1, 2008, made to hospitals for outpatient
 49.3 hospital facility services before third-party liability and spenddown, is reduced three percent
 49.4 from the current statutory rates. Mental health services and facilities defined under section
 49.5 256.969, subdivision 16, are excluded from this paragraph.

49.6 **EFFECTIVE DATE.** This section is effective January 1, 2026, or the January 1
 49.7 following certification of the modernized pharmacy claims processing system, whichever
 49.8 is later.

49.9 Sec. 33. Minnesota Statutes 2022, section 256B.758, is amended to read:

49.10 **256B.758 REIMBURSEMENT FOR DOULA SERVICES.**

49.11 (a) Effective for services provided on or after July 1, 2019, through December 31, 2023,
 49.12 payments for doula services provided by a certified doula shall be \$47 per prenatal or
 49.13 postpartum visit and \$488 for attending and providing doula services at a birth.

49.14 (b) Effective for services provided on or after January 1, 2024, payments for doula
 49.15 services provided by a certified doula are \$100 per prenatal or postpartum visit and \$1,400
 49.16 for attending and providing doula services at birth.

49.17 **EFFECTIVE DATE.** This section is effective January 1, 2024.

49.18 Sec. 34. Minnesota Statutes 2022, section 256B.76, subdivision 1, is amended to read:

49.19 Subdivision 1. **Physician reimbursement.** (a) Effective for services rendered on or after
 49.20 October 1, 1992, the commissioner shall make payments for physician services as follows:

49.21 (1) payment for level one Centers for Medicare and Medicaid Services' common
 49.22 procedural coding system codes titled "office and other outpatient services," "preventive
 49.23 medicine new and established patient," "delivery, antepartum, and postpartum care," "critical
 49.24 care," cesarean delivery and pharmacologic management provided to psychiatric patients,
 49.25 and level three codes for enhanced services for prenatal high risk, shall be paid at the lower
 49.26 of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992;

49.27 (2) payments for all other services shall be paid at the lower of (i) submitted charges,
 49.28 or (ii) 15.4 percent above the rate in effect on June 30, 1992; and

49.29 (3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th
 49.30 percentile of 1989, less the percent in aggregate necessary to equal the above increases

50.1 except that payment rates for home health agency services shall be the rates in effect on
50.2 September 30, 1992.

50.3 (b) Effective for services rendered on or after January 1, 2000, payment rates for physician
50.4 and professional services shall be increased by three percent over the rates in effect on
50.5 December 31, 1999, except for home health agency and family planning agency services.
50.6 The increases in this paragraph shall be implemented January 1, 2000, for managed care.

50.7 (c) Effective for services rendered on or after July 1, 2009, payment rates for physician
50.8 and professional services shall be reduced by five percent, except that for the period July
50.9 1, 2009, through June 30, 2010, payment rates shall be reduced by 6.5 percent for the medical
50.10 assistance and general assistance medical care programs, over the rates in effect on June
50.11 30, 2009. This reduction and the reductions in paragraph (d) do not apply to office or other
50.12 outpatient visits, preventive medicine visits and family planning visits billed by physicians,
50.13 advanced practice nurses, or physician assistants in a family planning agency or in one of
50.14 the following primary care practices: general practice, general internal medicine, general
50.15 pediatrics, general geriatrics, and family medicine. This reduction and the reductions in
50.16 paragraph (d) do not apply to federally qualified health centers, rural health centers, and
50.17 Indian health services. Effective October 1, 2009, payments made to managed care plans
50.18 and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall
50.19 reflect the payment reduction described in this paragraph.

50.20 (d) Effective for services rendered on or after July 1, 2010, payment rates for physician
50.21 and professional services shall be reduced an additional seven percent over the five percent
50.22 reduction in rates described in paragraph (c). This additional reduction does not apply to
50.23 physical therapy services, occupational therapy services, and speech pathology and related
50.24 services provided on or after July 1, 2010. This additional reduction does not apply to
50.25 physician services billed by a psychiatrist or an advanced practice nurse with a specialty in
50.26 mental health. Effective October 1, 2010, payments made to managed care plans and
50.27 county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect
50.28 the payment reduction described in this paragraph.

50.29 (e) Effective for services rendered on or after September 1, 2011, through June 30, 2013,
50.30 payment rates for physician and professional services shall be reduced three percent from
50.31 the rates in effect on August 31, 2011. This reduction does not apply to physical therapy
50.32 services, occupational therapy services, and speech pathology and related services.

50.33 (f) Effective for services rendered on or after September 1, 2014, payment rates for
50.34 physician and professional services, including physical therapy, occupational therapy, speech

51.1 pathology, and mental health services shall be increased by five percent from the rates in
 51.2 effect on August 31, 2014. In calculating this rate increase, the commissioner shall not
 51.3 include in the base rate for August 31, 2014, the rate increase provided under section
 51.4 256B.76, subdivision 7. This increase does not apply to federally qualified health centers,
 51.5 rural health centers, and Indian health services. Payments made to managed care plans and
 51.6 county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

51.7 (g) Effective for services rendered on or after July 1, 2015, payment rates for physical
 51.8 therapy, occupational therapy, and speech pathology and related services provided by a
 51.9 hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause
 51.10 (4), shall be increased by 90 percent from the rates in effect on June 30, 2015. Payments
 51.11 made to managed care plans and county-based purchasing plans shall not be adjusted to
 51.12 reflect payments under this paragraph.

51.13 (h) Any rates effective before July 1, 2015, do not apply to early intensive
 51.14 developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.

51.15 (i) The commissioner may reimburse the cost incurred to pay the Department of Health
 51.16 for metabolic disorder testing of newborns who are medical assistance recipients when the
 51.17 sample is collected outside of an inpatient hospital setting or freestanding birth center setting
 51.18 because the newborn was born outside of a hospital setting or freestanding birth center
 51.19 setting or because it is not medically appropriate to collect the sample during the inpatient
 51.20 stay for the birth.

51.21 Sec. 35. Minnesota Statutes 2022, section 256B.76, subdivision 2, is amended to read:

51.22 Subd. 2. **Dental reimbursement.** (a) Effective for services rendered ~~on or after~~ from
 51.23 October 1, 1992, to December 31, 2023, the commissioner shall make payments for dental
 51.24 services as follows:

51.25 (1) dental services shall be paid at the lower of (i) submitted charges, or (ii) 25 percent
 51.26 above the rate in effect on June 30, 1992; and

51.27 (2) dental rates shall be converted from the 50th percentile of 1982 to the 50th percentile
 51.28 of 1989, less the percent in aggregate necessary to equal the above increases.

51.29 (b) ~~Beginning~~ From October 1, 1999, to December 31, 2023, the payment for tooth
 51.30 sealants and fluoride treatments shall be the lower of (1) submitted charge, or (2) 80 percent
 51.31 of median 1997 charges.

52.1 (c) Effective for services rendered ~~on or after~~ from January 1, 2000, to December 31,
52.2 2023, payment rates for dental services shall be increased by three percent over the rates in
52.3 effect on December 31, 1999.

52.4 (d) Effective for services provided ~~on or after~~ from January 1, 2002, to December 31,
52.5 2023, payment for diagnostic examinations and dental x-rays provided to children under
52.6 age 21 shall be the lower of (1) the submitted charge, or (2) 85 percent of median 1999
52.7 charges.

52.8 (e) The increases listed in paragraphs (b) and (c) shall be implemented January 1, 2000,
52.9 for managed care.

52.10 (f) Effective for dental services rendered on or after October 1, 2010, by a state-operated
52.11 dental clinic, payment shall be paid on a reasonable cost basis that is based on the Medicare
52.12 principles of reimbursement. This payment shall be effective for services rendered on or
52.13 after January 1, 2011, to recipients enrolled in managed care plans or county-based
52.14 purchasing plans.

52.15 (g) Beginning in fiscal year 2011, if the payments to state-operated dental clinics in
52.16 paragraph (f), including state and federal shares, are less than \$1,850,000 per fiscal year, a
52.17 supplemental state payment equal to the difference between the total payments in paragraph
52.18 (f) and \$1,850,000 shall be paid from the general fund to state-operated services for the
52.19 operation of the dental clinics.

52.20 ~~(h) Effective for services rendered on or after January 1, 2014, through December 31,~~
52.21 ~~2021, payment rates for dental services shall be increased by five percent from the rates in~~
52.22 ~~effect on December 31, 2013. This increase does not apply to state-operated dental clinics~~
52.23 ~~in paragraph (f), federally qualified health centers, rural health centers, and Indian health~~
52.24 ~~services. Effective January 1, 2014, payments made to managed care plans and county-based~~
52.25 ~~purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment~~
52.26 ~~increase described in this paragraph.~~

52.27 ~~(i) Effective for services provided on or after January 1, 2017, through December 31,~~
52.28 ~~2021, the commissioner shall increase payment rates by 9.65 percent for dental services~~
52.29 ~~provided outside of the seven-county metropolitan area. This increase does not apply to~~
52.30 ~~state-operated dental clinics in paragraph (f), federally qualified health centers, rural health~~
52.31 ~~centers, or Indian health services. Effective January 1, 2017, payments to managed care~~
52.32 ~~plans and county-based purchasing plans under sections 256B.69 and 256B.692 shall reflect~~
52.33 ~~the payment increase described in this paragraph.~~

53.1 ~~(j)~~ Effective for services provided on or after July 1, 2017, through December 31, 2021,
 53.2 the commissioner shall increase payment rates by 23.8 percent for dental services provided
 53.3 to enrollees under the age of 21. This rate increase does not apply to state-operated dental
 53.4 clinics in paragraph (f), federally qualified health centers, rural health centers, or Indian
 53.5 health centers. This rate increase does not apply to managed care plans and county-based
 53.6 purchasing plans.

53.7 ~~(k)~~ (h) Effective for services provided on or after January 1, 2022, the commissioner
 53.8 shall exclude from medical assistance and MinnesotaCare payments for dental services to
 53.9 public health and community health clinics the 20 percent increase authorized under Laws
 53.10 1989, chapter 327, section 5, subdivision 2, paragraph (b).

53.11 ~~(l)~~ (i) Effective for services provided ~~on or after~~ from January 1, 2022, to December 31,
 53.12 2023, the commissioner shall increase payment rates by 98 percent for all dental services.
 53.13 This rate increase does not apply to state-operated dental clinics, federally qualified health
 53.14 centers, rural health centers, or Indian health services.

53.15 ~~(m)~~ (j) Managed care plans and county-based purchasing plans shall reimburse providers
 53.16 at a level that is at least equal to the rate paid under fee-for-service for dental services. If,
 53.17 for any coverage year, federal approval is not received for this paragraph, the commissioner
 53.18 must adjust the capitation rates paid to managed care plans and county-based purchasing
 53.19 plans for that contract year to reflect the removal of this provision. Contracts between
 53.20 managed care plans and county-based purchasing plans and providers to whom this paragraph
 53.21 applies must allow recovery of payments from those providers if capitation rates are adjusted
 53.22 in accordance with this paragraph. Payment recoveries must not exceed an amount equal
 53.23 to any increase in rates that results from this provision. If, for any coverage year, federal
 53.24 approval is not received for this paragraph, the commissioner shall not implement this
 53.25 paragraph for subsequent coverage years.

53.26 (k) Effective for services provided on or after January 1, 2024, payment for dental
 53.27 services must be the lower of submitted charges or the percentile of 2018-submitted charges
 53.28 from claims paid by the commissioner so that the total aggregate expenditures does not
 53.29 exceed the total spend as outlined in the applicable paragraphs (a) to (k). This paragraph
 53.30 does not apply to federally qualified health centers, rural health centers, state-operated dental
 53.31 clinics, or Indian health centers.

53.32 (l) Beginning January 1, 2027, and every three years thereafter, the commissioner shall
 53.33 rebase payment rates for dental services to a percentile of submitted charges for the applicable
 53.34 base year using charge data from claims paid by the commissioner so that the total aggregate

54.1 expenditures does not exceed the total spend as outlined in paragraph (k) plus the change
 54.2 in the Medicare Economic Index (MEI). In 2027, the change in the MEI must be measured
 54.3 from midyear of 2024 and 2026. For each subsequent rebasing, the change in the MEI must
 54.4 be measured between the years that are one year after the rebasing years. The base year
 54.5 used for each rebasing must be the calendar year that is two years prior to the effective date
 54.6 of the rebasing. This paragraph does not apply to federally qualified health centers, rural
 54.7 health centers, state-operated dental clinics, or Indian health centers.

54.8 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,
 54.9 whichever is later. The commissioner of human services shall notify the revisor of statutes
 54.10 when federal approval is obtained.

54.11 Sec. 36. Minnesota Statutes 2022, section 256B.76, subdivision 4, is amended to read:

54.12 **Subd. 4. Critical access dental providers.** ~~(a) The commissioner shall increase~~
 54.13 ~~reimbursements to dentists and dental clinics deemed by the commissioner to be critical~~
 54.14 ~~access dental providers. For dental services rendered on or after July 1, 2016, through~~
 54.15 ~~December 31, 2021, the commissioner shall increase reimbursement by 37.5 percent above~~
 54.16 ~~the reimbursement rate that would otherwise be paid to the critical access dental provider,~~
 54.17 ~~except as specified under paragraph (b). The commissioner shall pay the managed care~~
 54.18 ~~plans and county-based purchasing plans in amounts sufficient to reflect increased~~
 54.19 ~~reimbursements to critical access dental providers as approved by the commissioner.~~

54.20 ~~(b) For dental services rendered on or after July 1, 2016, through December 31, 2021,~~
 54.21 ~~by a dental clinic or dental group that meets the critical access dental provider designation~~
 54.22 ~~under paragraph (f), clause (4), and is owned and operated by a health maintenance~~
 54.23 ~~organization licensed under chapter 62D, the commissioner shall increase reimbursement~~
 54.24 ~~by 35 percent above the reimbursement rate that would otherwise be paid to the critical~~
 54.25 ~~access provider.~~

54.26 ~~(e)~~ (a) The commissioner shall increase reimbursement to dentists and dental clinics
 54.27 deemed by the commissioner to be critical access dental providers. For dental services
 54.28 provided on or after January 1, 2022, by a dental provider deemed to be a critical access
 54.29 dental provider under paragraph (f), the commissioner shall increase reimbursement by 20
 54.30 percent above the reimbursement rate that would otherwise be paid to the critical access
 54.31 dental provider. This paragraph does not apply to federally qualified health centers, rural
 54.32 health centers, state-operated dental clinics, or Indian health centers.

54.33 ~~(d)~~ (b) Managed care plans and county-based purchasing plans shall increase
 54.34 reimbursement to critical access dental providers by at least the amount specified in paragraph

55.1 (c). If, for any coverage year, federal approval is not received for this paragraph, the
 55.2 commissioner must adjust the capitation rates paid to managed care plans and county-based
 55.3 purchasing plans for that contract year to reflect the removal of this provision. Contracts
 55.4 between managed care plans and county-based purchasing plans and providers to whom
 55.5 this paragraph applies must allow recovery of payments from those providers if capitation
 55.6 rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed
 55.7 an amount equal to any increase in rates that results from this provision. If, for any coverage
 55.8 year, federal approval is not received for this paragraph, the commissioner shall not
 55.9 implement this paragraph for subsequent coverage years.

55.10 ~~(e)~~ (c) Critical access dental payments made under this subdivision for dental services
 55.11 provided by a critical access dental provider to an enrollee of a managed care plan or
 55.12 county-based purchasing plan must not reflect any capitated payments or cost-based payments
 55.13 from the managed care plan or county-based purchasing plan. The managed care plan or
 55.14 county-based purchasing plan must base the additional critical access dental payment on
 55.15 the amount that would have been paid for that service had the dental provider been paid
 55.16 according to the managed care plan or county-based purchasing plan's fee schedule that
 55.17 applies to dental providers that are not paid under a capitated payment or cost-based payment.

55.18 ~~(f)~~ (d) The commissioner shall designate the following dentists and dental clinics as
 55.19 critical access dental providers:

55.20 (1) nonprofit community clinics that:

55.21 (i) have nonprofit status in accordance with chapter 317A;

55.22 (ii) have tax exempt status in accordance with the Internal Revenue Code, section
 55.23 501(c)(3);

55.24 (iii) are established to provide oral health services to patients who are low income,
 55.25 uninsured, have special needs, and are underserved;

55.26 (iv) have professional staff familiar with the cultural background of the clinic's patients;

55.27 (v) charge for services on a sliding fee scale designed to provide assistance to low-income
 55.28 patients based on current poverty income guidelines and family size;

55.29 (vi) do not restrict access or services because of a patient's financial limitations or public
 55.30 assistance status; and

55.31 (vii) have free care available as needed;

55.32 (2) federally qualified health centers, rural health clinics, and public health clinics;

56.1 (3) hospital-based dental clinics owned and operated by a city, county, or former state
56.2 hospital as defined in section 62Q.19, subdivision 1, paragraph (a), clause (4);

56.3 (4) a dental clinic or dental group owned and operated by a nonprofit corporation in
56.4 accordance with chapter 317A with more than 10,000 patient encounters per year with
56.5 patients who are uninsured or covered by medical assistance or MinnesotaCare;

56.6 (5) a dental clinic owned and operated by the University of Minnesota or the Minnesota
56.7 State Colleges and Universities system; and

56.8 (6) private practicing dentists if:

56.9 (i) the dentist's office is located within the seven-county metropolitan area and more
56.10 than 50 percent of the dentist's patient encounters per year are with patients who are uninsured
56.11 or covered by medical assistance or MinnesotaCare; or

56.12 (ii) the dentist's office is located outside the seven-county metropolitan area and more
56.13 than 25 percent of the dentist's patient encounters per year are with patients who are uninsured
56.14 or covered by medical assistance or MinnesotaCare.

56.15 **EFFECTIVE DATE.** This section is effective January 1, 2024.

56.16 Sec. 37. Minnesota Statutes 2022, section 256B.761, is amended to read:

56.17 **256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.**

56.18 (a) Effective for services rendered on or after July 1, 2001, payment for medication
56.19 management provided to psychiatric patients, outpatient mental health services, day treatment
56.20 services, home-based mental health services, and family community support services shall
56.21 be paid at the lower of (1) submitted charges, or (2) 75.6 percent of the 50th percentile of
56.22 1999 charges.

56.23 (b) Effective July 1, 2001, the medical assistance rates for outpatient mental health
56.24 services provided by an entity that operates: (1) a Medicare-certified comprehensive
56.25 outpatient rehabilitation facility; and (2) a facility that was certified prior to January 1, 1993,
56.26 with at least 33 percent of the clients receiving rehabilitation services in the most recent
56.27 calendar year who are medical assistance recipients, will be increased by 38 percent, when
56.28 those services are provided within the comprehensive outpatient rehabilitation facility and
56.29 provided to residents of nursing facilities owned by the entity.

56.30 (c) In addition to rate increases otherwise provided, the commissioner may restructure
56.31 coverage policy and rates to improve access to adult rehabilitative mental health services
56.32 under section 256B.0623 and related mental health support services under section 256B.021,

57.1 subdivision 4, paragraph (f), clause (2). For state fiscal years 2015 and 2016, the projected
57.2 state share of increased costs due to this paragraph is transferred from adult mental health
57.3 grants under sections 245.4661 and 256E.12. The transfer for fiscal year 2016 is a permanent
57.4 base adjustment for subsequent fiscal years. Payments made to managed care plans and
57.5 county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect
57.6 the rate changes described in this paragraph.

57.7 (d) Any ratables effective before July 1, 2015, do not apply to early intensive
57.8 developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.

57.9 (e) Effective for services rendered on or after January 1, 2024, payment rates for
57.10 behavioral health services included in the rate analysis required by Laws 2021, First Special
57.11 Session chapter 7, article 17, section 18, must be increased by 35 percent from the rates in
57.12 effect on December 31, 2023. Effective for services rendered on or after January 1, 2025,
57.13 payment rates for behavioral health services included in the rate analysis required by Laws
57.14 2021, First Special Session chapter 7, article 17, section 18, must be annually adjusted
57.15 according to the Consumer Price Index for medical care services. This paragraph does not
57.16 apply to federally qualified health centers, rural health centers, Indian health services,
57.17 certified community behavioral health clinics, cost-based rates, and rates that are negotiated
57.18 with the county. This paragraph expires upon legislative implementation of the new rate
57.19 methodology resulting from the rate analysis required by Laws 2021, First Special Session
57.20 chapter 7, article 17, section 18.

57.21 (f) Effective January 1, 2024, the commissioner shall increase capitation payments made
57.22 to managed care plans and county-based purchasing plans to reflect the behavioral health
57.23 service rate increase provided in paragraph (e). Managed care and county-based purchasing
57.24 plans must use the capitation rate increase provided under this paragraph to increase payment
57.25 rates to behavioral health services providers. The commissioner must monitor the effect of
57.26 this rate increase on enrollee access to behavioral health services. If for any contract year
57.27 federal approval is not received for this paragraph, the commissioner must adjust the
57.28 capitation rates paid to managed care plans and county-based purchasing plans for that
57.29 contract year to reflect the removal of this provision. Contracts between managed care plans
57.30 and county-based purchasing plans and providers to whom this paragraph applies must
57.31 allow recovery of payments from those providers if capitation rates are adjusted in accordance
57.32 with this paragraph. Payment recoveries must not exceed the amount equal to any increase
57.33 in rates that results from this provision.

58.1 Sec. 38. Minnesota Statutes 2022, section 256B.764, is amended to read:

58.2 **256B.764 REIMBURSEMENT FOR FAMILY PLANNING SERVICES.**

58.3 (a) Effective for services rendered on or after July 1, 2007, payment rates for family
58.4 planning services shall be increased by 25 percent over the rates in effect June 30, 2007,
58.5 when these services are provided by a community clinic as defined in section 145.9268,
58.6 subdivision 1.

58.7 (b) Effective for services rendered on or after July 1, 2013, payment rates for family
58.8 planning services shall be increased by 20 percent over the rates in effect June 30, 2013,
58.9 when these services are provided by a community clinic as defined in section 145.9268,
58.10 subdivision 1. The commissioner shall adjust capitation rates to managed care and
58.11 county-based purchasing plans to reflect this increase, and shall require plans to pass on the
58.12 full amount of the rate increase to eligible community clinics, in the form of higher payment
58.13 rates for family planning services.

58.14 (c) Effective for services provided on or after January 1, 2024, payment rates for family
58.15 planning and abortion services shall be increased by ten percent. This increase does not
58.16 apply to federally qualified health centers, rural health centers, or Indian health services.

58.17 Sec. 39. Minnesota Statutes 2022, section 256L.03, subdivision 5, is amended to read:

58.18 Subd. 5. **Cost-sharing.** (a) Co-payments, coinsurance, and deductibles do not apply to
58.19 children under the age of 21 ~~and~~, to American Indians as defined in Code of Federal
58.20 Regulations, title 42, section 600.5, or to pre-exposure prophylaxis (PrEP) and postexposure
58.21 prophylaxis (PEP) medications when used for the prevention or treatment of the human
58.22 immunodeficiency virus (HIV).

58.23 (b) The commissioner shall adjust co-payments, coinsurance, and deductibles for covered
58.24 services in a manner sufficient to maintain the actuarial value of the benefit to 94 percent.
58.25 The cost-sharing changes described in this paragraph do not apply to eligible recipients or
58.26 services exempt from cost-sharing under state law. The cost-sharing changes described in
58.27 this paragraph shall not be implemented prior to January 1, 2016.

58.28 (c) The cost-sharing changes authorized under paragraph (b) must satisfy the requirements
58.29 for cost-sharing under the Basic Health Program as set forth in Code of Federal Regulations,
58.30 title 42, sections 600.510 and 600.520.

58.31 (d) Co-payments, coinsurance, and deductibles do not apply to additional diagnostic
58.32 services or testing that a health care provider determines an enrollee requires after a
58.33 mammogram, as specified under section 62A.30, subdivision 5.

59.1 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,
 59.2 whichever is later. The commissioner of human services shall notify the revisor of statutes
 59.3 when federal approval is obtained.

59.4 Sec. 40. Minnesota Statutes 2022, section 256L.03, is amended by adding a subdivision
 59.5 to read:

59.6 Subd. 7. **Coverage and payment for pharmacy services.** MinnesotaCare coverage and
 59.7 payment for pharmacy services must comply with the requirements for medical assistance
 59.8 specified under section 256B.0625, subdivision 13k.

59.9 **EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval,
 59.10 whichever is later. The commissioner of human services must notify the revisor of statutes
 59.11 when federal approval is obtained.

59.12 Sec. 41. Laws 2021, First Special Session chapter 7, article 6, section 26, is amended to
 59.13 read:

59.14 Sec. 26. **COMMISSIONER OF HUMAN SERVICES; EXTENSION OF COVID-19**
 59.15 **HUMAN SERVICES PROGRAM MODIFICATIONS.**

59.16 Notwithstanding Laws 2020, First Special Session chapter 7, section 1, subdivision 2,
 59.17 as amended by Laws 2020, Third Special Session chapter 1, section 3, when the peacetime
 59.18 emergency declared by the governor in response to the COVID-19 outbreak expires, is
 59.19 terminated, or is rescinded by the proper authority, the following modifications issued by
 59.20 the commissioner of human services pursuant to Executive Orders 20-11 and 20-12, and
 59.21 including any amendments to the modification issued before the peacetime emergency
 59.22 expires, shall remain in effect until July 1, ~~2023~~ 2025:

59.23 (1) CV16: expanding access to telemedicine services for Children's Health Insurance
 59.24 Program, Medical Assistance, and MinnesotaCare enrollees; and

59.25 (2) CV21: allowing telemedicine alternative for school-linked mental health services
 59.26 and intermediate school district mental health services.

59.27 Sec. 42. **REPORT; MODIFY WITHHOLD PROVISIONS.**

59.28 By January 1, 2024, the commissioner of human services must submit a report to the
 59.29 chairs and ranking minority members of the legislative committees with jurisdiction over
 59.30 human services evaluating the utility of the performance targets described in Minnesota
 59.31 Statutes, section 256B.69, subdivision 5a, paragraphs (e) to (g). The report must include

60.1 the applicable performance rates of managed care organizations and county-based purchasing
60.2 plans in the past three years, projected impacts on performance rates for the next three years
60.3 resulting from section ... becoming effective, measures that the commissioner anticipates
60.4 taking to continue monitoring and improving the applicable performance rates of managed
60.5 care organizations and county-based purchasing plans upon section ... becoming effective,
60.6 proposals for additional performance targets that may improve quality of care for enrollees,
60.7 and any additional legislative actions that may be required as the result of section ...
60.8 becoming effective.

60.9 **ARTICLE 2**

60.10 **HEALTH INSURANCE**

60.11 Section 1. Minnesota Statutes 2022, section 62A.02, subdivision 1, is amended to read:

60.12 Subdivision 1. **Filing.** For purposes of this section, "health plan" means a health plan
60.13 as defined in section 62A.011 or a policy of accident and sickness insurance as defined in
60.14 section 62A.01. No health plan shall be issued or delivered to any person in this state, nor
60.15 shall any application, rider, or endorsement be used in connection with the health plan, until
60.16 a copy of its form and of the classification of risks and the premium rates pertaining to the
60.17 form have been filed with the commissioner. The filing must include the health plan's
60.18 prescription drug formulary. Proposed revisions to the health plan's prescription drug
60.19 formulary must be filed with the commissioner no later than August 1 of the application
60.20 year. The filing for nongroup health plan forms shall include a statement of actuarial reasons
60.21 and data to support the rate. For health benefit plans as defined in section 62L.02, and for
60.22 health plans to be issued to individuals, the health carrier shall file with the commissioner
60.23 the information required in section 62L.08, subdivision 8. For group health plans for which
60.24 approval is sought for sales only outside of the small employer market as defined in section
60.25 62L.02, this section applies only to policies or contracts of accident and sickness insurance.
60.26 All forms intended for issuance in the individual or small employer market must be
60.27 accompanied by a statement as to the expected loss ratio for the form. Premium rates and
60.28 forms relating to specific insureds or proposed insureds, whether individuals or groups,
60.29 need not be filed, unless requested by the commissioner.

61.1 Sec. 2. Minnesota Statutes 2022, section 62A.045, is amended to read:

61.2 **62A.045 PAYMENTS ON BEHALF OF ENROLLEES IN GOVERNMENT**
 61.3 **HEALTH PROGRAMS.**

61.4 (a) As a condition of doing business in Minnesota or providing coverage to residents of
 61.5 Minnesota covered by this section, each health insurer shall comply with the requirements
 61.6 ~~of~~ for health insurers under the federal Deficit Reduction Act of 2005, Public Law 109-171
 61.7 and the federal Consolidated Appropriations Act of 2022, Public Law 117-103, including
 61.8 any federal regulations adopted under ~~that act~~ those acts, to the extent that ~~it imposes~~ they
 61.9 impose a requirement that applies in this state and that is not also required by the laws of
 61.10 this state. This section does not require compliance with any provision of the federal ~~act~~
 61.11 acts prior to the effective ~~date~~ dates provided for ~~that provision~~ those provisions in the
 61.12 federal ~~act~~ acts. The commissioner shall enforce this section.

61.13 For the purpose of this section, "health insurer" includes self-insured plans, group health
 61.14 plans (as defined in section 607(1) of the Employee Retirement Income Security Act of
 61.15 1974), service benefit plans, managed care organizations, pharmacy benefit managers, or
 61.16 other parties that are by contract legally responsible to pay a claim for a health-care item
 61.17 or service for an individual receiving benefits under paragraph (b).

61.18 (b) No plan offered by a health insurer issued or renewed to provide coverage to a
 61.19 Minnesota resident shall contain any provision denying or reducing benefits because services
 61.20 are rendered to a person who is eligible for or receiving medical benefits pursuant to title
 61.21 XIX of the Social Security Act (Medicaid) in this or any other state; chapter 256 or 256B;
 61.22 or services pursuant to section 252.27; 256L.01 to 256L.10; 260B.331, subdivision 2;
 61.23 260C.331, subdivision 2; or 393.07, subdivision 1 or 2. No health insurer providing benefits
 61.24 under plans covered by this section shall use eligibility for medical programs named in this
 61.25 section as an underwriting guideline or reason for nonacceptance of the risk.

61.26 (c) If payment for covered expenses has been made under state medical programs for
 61.27 health care items or services provided to an individual, and a third party has a legal liability
 61.28 to make payments, the rights of payment and appeal of an adverse coverage decision for
 61.29 the individual, or in the case of a child their responsible relative or caretaker, will be
 61.30 subrogated to the state agency. The state agency may assert its rights under this section
 61.31 within three years of the date the service was rendered. For purposes of this section, "state
 61.32 agency" includes prepaid health plans under contract with the commissioner according to
 61.33 sections 256B.69 and 256L.12; children's mental health collaboratives under section 245.493;
 61.34 demonstration projects for persons with disabilities under section 256B.77; nursing homes

62.1 under the alternative payment demonstration project under section 256B.434; and
62.2 county-based purchasing entities under section 256B.692.

62.3 (d) Notwithstanding any law to the contrary, when a person covered by a plan offered
62.4 by a health insurer receives medical benefits according to any statute listed in this section,
62.5 payment for covered services or notice of denial for services billed by the provider must be
62.6 issued directly to the provider. If a person was receiving medical benefits through the
62.7 Department of Human Services at the time a service was provided, the provider must indicate
62.8 this benefit coverage on any claim forms submitted by the provider to the health insurer for
62.9 those services. If the commissioner of human services notifies the health insurer that the
62.10 commissioner has made payments to the provider, payment for benefits or notices of denials
62.11 issued by the health insurer must be issued directly to the commissioner. Submission by the
62.12 department to the health insurer of the claim on a Department of Human Services claim
62.13 form is proper notice and shall be considered proof of payment of the claim to the provider
62.14 and supersedes any contract requirements of the health insurer relating to the form of
62.15 submission. Liability to the insured for coverage is satisfied to the extent that payments for
62.16 those benefits are made by the health insurer to the provider or the commissioner as required
62.17 by this section.

62.18 (e) When a state agency has acquired the rights of an individual eligible for medical
62.19 programs named in this section and has health benefits coverage through a health insurer,
62.20 the health insurer shall not impose requirements that are different from requirements
62.21 applicable to an agent or assignee of any other individual covered.

62.22 (f) A health insurer must process a clean claim made by a state agency for covered
62.23 expenses paid under state medical programs within 90 business days of the claim's
62.24 submission. A health insurer must process all other claims made by a state agency for
62.25 covered expenses paid under a state medical program within the timeline set forth in Code
62.26 of Federal Regulations, title 42, section 447.45(d)(4).

62.27 (g) A health insurer may request a refund of a claim paid in error to the Department of
62.28 Human Services within two years of the date the payment was made to the department. A
62.29 request for a refund shall not be honored by the department if the health insurer makes the
62.30 request after the time period has lapsed.

62.31 Sec. 3. Minnesota Statutes 2022, section 62A.15, is amended by adding a subdivision to
62.32 read:

62.33 Subd. 3d. **Pharmacist.** All benefits provided by a policy or contract referred to in
62.34 subdivision 1 relating to expenses incurred for medical treatment or services provided by

63.1 a licensed physician must include services provided by a licensed pharmacist, according to
 63.2 the requirements of section 151.01, to the extent a licensed pharmacist's services are within
 63.3 the pharmacist's scope of practice.

63.4 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to policies
 63.5 or contracts offered, issued, or renewed on or after that date.

63.6 Sec. 4. Minnesota Statutes 2022, section 62A.15, subdivision 4, is amended to read:

63.7 Subd. 4. **Denial of benefits.** (a) No carrier referred to in subdivision 1 may, in the
 63.8 payment of claims to employees in this state, deny benefits payable for services covered by
 63.9 the policy or contract if the services are lawfully performed by a licensed chiropractor, a
 63.10 licensed optometrist, a registered nurse meeting the requirements of subdivision 3a, a licensed
 63.11 physician assistant, ~~or~~ a licensed acupuncture practitioner, or a licensed pharmacist.

63.12 (b) When carriers referred to in subdivision 1 make claim determinations concerning
 63.13 the appropriateness, quality, or utilization of chiropractic health care for Minnesotans, any
 63.14 of these determinations that are made by health care professionals must be made by, or
 63.15 under the direction of, or subject to the review of licensed doctors of chiropractic.

63.16 (c) When a carrier referred to in subdivision 1 makes a denial of payment claim
 63.17 determination concerning the appropriateness, quality, or utilization of acupuncture services
 63.18 for individuals in this state performed by a licensed acupuncture practitioner, a denial of
 63.19 payment claim determination that is made by a health professional must be made by, under
 63.20 the direction of, or subject to the review of a licensed acupuncture practitioner.

63.21 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to policies
 63.22 or contracts offered, issued, or renewed on or after that date.

63.23 Sec. 5. Minnesota Statutes 2022, section 62A.30, is amended by adding a subdivision to
 63.24 read:

63.25 Subd. 5. **Mammogram; diagnostic services and testing.** If a health care provider
 63.26 determines an enrollee requires additional diagnostic services or testing after a mammogram,
 63.27 a health plan must provide coverage for the additional diagnostic services or testing with
 63.28 no cost sharing, including co-pay, deductible, or coinsurance.

63.29 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to health
 63.30 plans offered, issued, or sold on or after that date.

64.1 Sec. 6. Minnesota Statutes 2022, section 62A.30, is amended by adding a subdivision to
64.2 read:

64.3 Subd. 6. **Application.** If the application of subdivision 5 before an enrollee has met their
64.4 health plan's deductible would result in: (1) health savings account ineligibility under United
64.5 States Code, title 26, section 223; or (2) catastrophic health plan ineligibility under United
64.6 States Code, title 42, section 18022(e), then subdivision 5 shall apply to diagnostic services
64.7 or testing only after the enrollee has met their health plan's deductible.

64.8 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to health
64.9 plans offered, issued, or sold on or after that date.

64.10 Sec. 7. Minnesota Statutes 2022, section 62A.673, subdivision 2, is amended to read:

64.11 Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision
64.12 have the meanings given.

64.13 (b) "Distant site" means a site at which a health care provider is located while providing
64.14 health care services or consultations by means of telehealth.

64.15 (c) "Health care provider" means a health care professional who is licensed or registered
64.16 by the state to perform health care services within the provider's scope of practice and in
64.17 accordance with state law. A health care provider includes a mental health professional
64.18 under section 245I.04, subdivision 2; a mental health practitioner under section 245I.04,
64.19 subdivision 4; a clinical trainee under section 245I.04, subdivision 6; a treatment coordinator
64.20 under section 245G.11, subdivision 7; an alcohol and drug counselor under section 245G.11,
64.21 subdivision 5; and a recovery peer under section 245G.11, subdivision 8.

64.22 (d) "Health carrier" has the meaning given in section 62A.011, subdivision 2.

64.23 (e) "Health plan" has the meaning given in section 62A.011, subdivision 3. Health plan
64.24 includes dental plans as defined in section 62Q.76, subdivision 3, but does not include dental
64.25 plans that provide indemnity-based benefits, regardless of expenses incurred, and are designed
64.26 to pay benefits directly to the policy holder.

64.27 (f) "Originating site" means a site at which a patient is located at the time health care
64.28 services are provided to the patient by means of telehealth. For purposes of store-and-forward
64.29 technology, the originating site also means the location at which a health care provider
64.30 transfers or transmits information to the distant site.

65.1 (g) "Store-and-forward technology" means the asynchronous electronic transfer or
65.2 transmission of a patient's medical information or data from an originating site to a distant
65.3 site for the purposes of diagnostic and therapeutic assistance in the care of a patient.

65.4 (h) "Telehealth" means the delivery of health care services or consultations through the
65.5 use of real time two-way interactive audio and visual communications to provide or support
65.6 health care delivery and facilitate the assessment, diagnosis, consultation, treatment,
65.7 education, and care management of a patient's health care. Telehealth includes the application
65.8 of secure video conferencing, store-and-forward technology, and synchronous interactions
65.9 between a patient located at an originating site and a health care provider located at a distant
65.10 site. Until July 1, ~~2023~~ 2025, telehealth also includes audio-only communication between
65.11 a health care provider and a patient in accordance with subdivision 6, paragraph (b).
65.12 Telehealth does not include communication between health care providers that consists
65.13 solely of a telephone conversation, email, or facsimile transmission. Telehealth does not
65.14 include communication between a health care provider and a patient that consists solely of
65.15 an email or facsimile transmission. Telehealth does not include telemonitoring services as
65.16 defined in paragraph (i).

65.17 (i) "Telemonitoring services" means the remote monitoring of clinical data related to
65.18 the enrollee's vital signs or biometric data by a monitoring device or equipment that transmits
65.19 the data electronically to a health care provider for analysis. Telemonitoring is intended to
65.20 collect an enrollee's health-related data for the purpose of assisting a health care provider
65.21 in assessing and monitoring the enrollee's medical condition or status.

65.22 **Sec. 8. [62D.1071] COVERAGE OF LICENSED PHARMACIST SERVICES.**

65.23 Subdivision 1. **Pharmacist.** All benefits provided by a health maintenance contract
65.24 relating to expenses incurred for medical treatment or services provided by a licensed
65.25 physician must include services provided by a licensed pharmacist to the extent a licensed
65.26 pharmacist's services are within the pharmacist's scope of practice.

65.27 Subd. 2. **Denial of benefits.** When paying claims for enrollees in Minnesota, a health
65.28 maintenance organization must not deny payment for medical services covered by an
65.29 enrollee's health maintenance contract if the services are lawfully performed by a licensed
65.30 pharmacist.

65.31 Subd. 3. **Medication therapy management.** This section does not apply to or affect
65.32 the coverage or reimbursement for medication therapy management services under section
65.33 62Q.676 or 256B.0625, subdivisions 5, 13h, and 28a.

66.1 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to health
66.2 plans offered, issued, or renewed on or after that date.

66.3 Sec. 9. Minnesota Statutes 2022, section 62J.497, subdivision 1, is amended to read:

66.4 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
66.5 the meanings given.

66.6 (b) "Dispense" or "dispensing" has the meaning given in section 151.01, subdivision
66.7 30. Dispensing does not include the direct administering of a controlled substance to a
66.8 patient by a licensed health care professional.

66.9 (c) "Dispenser" means a person authorized by law to dispense a controlled substance,
66.10 pursuant to a valid prescription.

66.11 (d) "Electronic media" has the meaning given under Code of Federal Regulations, title
66.12 45, part 160.103.

66.13 (e) "E-prescribing" means the transmission using electronic media of prescription or
66.14 prescription-related information between a prescriber, dispenser, pharmacy benefit manager,
66.15 or group purchaser, either directly or through an intermediary, including an e-prescribing
66.16 network. E-prescribing includes, but is not limited to, two-way transmissions between the
66.17 point of care and the dispenser and two-way transmissions related to eligibility, formulary,
66.18 and medication history information.

66.19 (f) "Electronic prescription drug program" means a program that provides for
66.20 e-prescribing.

66.21 (g) "Group purchaser" has the meaning given in section 62J.03, subdivision 6.

66.22 (h) "HL7 messages" means a standard approved by the standards development
66.23 organization known as Health Level Seven.

66.24 (i) "National Provider Identifier" or "NPI" means the identifier described under Code
66.25 of Federal Regulations, title 45, part 162.406.

66.26 (j) "NCPDP" means the National Council for Prescription Drug Programs, Inc.

66.27 (k) "NCPDP Formulary and Benefits Standard" means the most recent version of the
66.28 National Council for Prescription Drug Programs Formulary and Benefits Standard or the
66.29 most recent standard adopted by the Centers for Medicare and Medicaid Services for
66.30 e-prescribing under Medicare Part D as required by section 1860D-4(e)(4)(D) of the Social
66.31 Security Act and regulations adopted under it. The standards shall be implemented according
66.32 to the Centers for Medicare and Medicaid Services schedule for compliance.

67.1 (l) "NCPDP Real-Time Prescription Benefit Standard" means the most recent National
 67.2 Council for Prescription Drug Programs Real-Time Prescription Benefit Standard adopted
 67.3 by the Centers for Medicare and Medicaid Services for e-prescribing under Medicare Part
 67.4 D as required by section 1860D-4(e)(2) of the Social Security Act, and regulations adopted
 67.5 under it.

67.6 ~~(m)~~ (m) "NCPDP SCRIPT Standard" means the most recent version of the National
 67.7 Council for Prescription Drug Programs SCRIPT Standard, or the most recent standard
 67.8 adopted by the Centers for Medicare and Medicaid Services for e-prescribing under Medicare
 67.9 Part D as required by section 1860D-4(e)(4)(D) of the Social Security Act, and regulations
 67.10 adopted under it. The standards shall be implemented according to the Centers for Medicare
 67.11 and Medicaid Services schedule for compliance.

67.12 ~~(n)~~ (n) "Pharmacy" has the meaning given in section 151.01, subdivision 2.

67.13 (o) "Pharmacy benefit manager" has the meaning given in section 62W.02, subdivision
 67.14 15.

67.15 ~~(p)~~ (p) "Prescriber" means a licensed health care practitioner, other than a veterinarian,
 67.16 as defined in section 151.01, subdivision 23.

67.17 ~~(q)~~ (q) "Prescription-related information" means information regarding eligibility for
 67.18 drug benefits, medication history, or related health or drug information.

67.19 ~~(r)~~ (r) "Provider" or "health care provider" has the meaning given in section 62J.03,
 67.20 subdivision 8.

67.21 (s) "Real-time prescription benefit tool" means a tool that is capable of being integrated
 67.22 into a prescriber's e-prescribing system and that provides a prescriber with up-to-date and
 67.23 patient-specific formulary and benefit information at the time the prescriber submits a
 67.24 prescription.

67.25 Sec. 10. Minnesota Statutes 2022, section 62J.497, subdivision 3, is amended to read:

67.26 Subd. 3. **Standards for electronic prescribing.** (a) Prescribers and dispensers must use
 67.27 the NCPDP SCRIPT Standard for the communication of a prescription or prescription-related
 67.28 information.

67.29 (b) Providers, group purchasers, prescribers, and dispensers must use the NCPDP SCRIPT
 67.30 Standard for communicating and transmitting medication history information.

68.1 (c) Providers, group purchasers, prescribers, and dispensers must use the NCPDP
 68.2 Formulary and Benefits Standard for communicating and transmitting formulary and benefit
 68.3 information.

68.4 (d) Providers, group purchasers, prescribers, and dispensers must use the national provider
 68.5 identifier to identify a health care provider in e-prescribing or prescription-related transactions
 68.6 when a health care provider's identifier is required.

68.7 (e) Providers, group purchasers, prescribers, and dispensers must communicate eligibility
 68.8 information and conduct health care eligibility benefit inquiry and response transactions
 68.9 according to the requirements of section 62J.536.

68.10 (f) Group purchasers and pharmacy benefit managers must use a real-time prescription
 68.11 benefit tool that complies with the NCPDP Real-Time Prescription Benefit Standard and
 68.12 that, at a minimum, notifies a prescriber:

68.13 (1) if a prescribed drug is covered by the patient's group purchaser or pharmacy benefit
 68.14 manager;

68.15 (2) if a prescribed drug is included on the formulary or preferred drug list of the patient's
 68.16 group purchaser or pharmacy benefit manager;

68.17 (3) of any patient cost-sharing for the prescribed drug;

68.18 (4) if prior authorization is required for the prescribed drug; and

68.19 (5) of a list of any available alternative drugs that are in the same class as the drug
 68.20 originally prescribed and for which prior authorization is not required.

68.21 **EFFECTIVE DATE.** This section is effective January 1, 2024.

68.22 Sec. 11. **[62J.826] MEDICAL AND DENTAL PRACTICES; CURRENT STANDARD**
 68.23 **CHARGES; COMPARISON TOOL.**

68.24 **Subdivision 1. Definitions.** (a) The definitions in this subdivision apply to this section.

68.25 (b) "CDT code" means a code value drawn from the Code on Dental Procedures and
 68.26 Nomenclature published by the American Dental Association.

68.27 (c) "Chargemaster" means the list of all individual items and services maintained by a
 68.28 medical or dental practice for which the medical or dental practice has established a charge.

68.29 (d) "Commissioner" means the commissioner of health.

68.30 (e) "CPT code" means a code value drawn from the Current Procedural Terminology
 68.31 published by the American Medical Association.

- 69.1 (f) "Dental service" means a service charged using a CDT code.
- 69.2 (g) "Diagnostic laboratory testing" means a service charged using a CPT code within
69.3 the CPT code range of 80047 to 89398.
- 69.4 (h) "Diagnostic radiology service" means a service charged using a CPT code within
69.5 the CPT code range of 70010 to 79999 and includes the provision of x-rays, computed
69.6 tomography scans, positron emission tomography scans, magnetic resonance imaging scans,
69.7 and mammographies.
- 69.8 (i) "Hospital" means an acute care institution licensed under sections 144.50 to 144.58,
69.9 but does not include a health care institution conducted for those who rely primarily upon
69.10 treatment by prayer or spiritual means in accordance with the creed or tenets of any church
69.11 or denomination.
- 69.12 (j) "Medical or dental practice" means a business that:
- 69.13 (1) earns revenue by providing medical care or dental services to the public;
- 69.14 (2) issues payment claims to health plan companies and other payers; and
- 69.15 (3) may be identified by its federal tax identification number.
- 69.16 (k) "Outpatient surgical center" means a health care facility other than a hospital offering
69.17 elective outpatient surgery under a license issued under sections 144.50 to 144.58.
- 69.18 (l) "Standard charge" means the regular rate established by the medical or dental practice
69.19 for an item or service provided to a specific group of paying patients. This includes all of
69.20 the following:
- 69.21 (1) the charge for an individual item or service that is reflected on a medical or dental
69.22 practice's chargemaster, absent any discounts;
- 69.23 (2) the charge that a medical or dental practice has negotiated with a third party payer
69.24 for an item or service;
- 69.25 (3) the lowest charge that a medical or dental practice has negotiated with all third party
69.26 payers for an item or service;
- 69.27 (4) the highest charge that a medical or dental practice has negotiated with all third party
69.28 payers for an item or service; and
- 69.29 (5) the charge that applies to an individual who pays cash (or cash equivalent) for an
69.30 item or service.

70.1 Subd. 2. Requirement; current standard charges. The following medical or dental
70.2 practices must make available to the public a list of their current standard charges, as reflected
70.3 in the medical or dental practice's chargemaster, for all items and services provided by the
70.4 medical or dental practice:

70.5 (1) hospitals;

70.6 (2) outpatient surgical centers; and

70.7 (3) any other medical or dental practice that has revenue of greater than \$50,000,000
70.8 per year and that derives the majority of its revenue by providing one or more of the following
70.9 services:

70.10 (i) diagnostic radiology services;

70.11 (ii) diagnostic laboratory testing;

70.12 (iii) orthopedic surgical procedures, including joint arthroplasty procedures within the
70.13 CPT code range of 26990 to 27899;

70.14 (iv) ophthalmologic surgical procedures, including cataract surgery coded using CPT
70.15 code 66982 or 66984, or refractive correction surgery to improve visual acuity;

70.16 (v) anesthesia services commonly provided as an ancillary to services provided at a
70.17 hospital, outpatient surgical center, or medical practice that provides orthopedic surgical
70.18 procedures or ophthalmologic surgical procedures;

70.19 (vi) oncology services, including radiation oncology treatments within the CPT code
70.20 range of 77261 to 77799 and drug infusions; or

70.21 (vii) dental services.

70.22 Subd. 3. Required file format and content. (a) a medical or dental practice that is
70.23 subject to this section must make available to the public, and must report to the commissioner,
70.24 current standard charges using the format and data elements specified in the currently
70.25 effective version of the Hospital Price Transparency Sample Format (Tall) (CSV) and related
70.26 data dictionary recommended for hospitals by the Centers for Medicare and Medicaid
70.27 Services(CMS). If CMS modifies or replaces the specifications for this format, the form of
70.28 this file must be modified or replaced to conform with the new CMS specifications by the
70.29 date specified by CMS for compliance with its new specifications. All prices included in
70.30 the file must be expressed as dollar amounts. The data must be in the form of a comma
70.31 separated values file which can be directly imported, without further editing or remediation,
70.32 into a relational database table which has been designed to receive these files. The medical

71.1 or dental practice must make the file available to the public in a manner specified by the
71.2 commissioner and must report the file to the commissioner in a manner and frequency
71.3 specified by the commissioner.

71.4 (b) A medical or dental practice must test its file for compliance with paragraph (a)
71.5 before making the file available to the public and reporting the file to the commissioner.

71.6 (c) A hospital must comply with this section no later than January 1, 2024. A medical
71.7 or dental practice that meets the requirements in subdivision 2, clause (3), or an outpatient
71.8 surgical center must comply with this section no later than January 1, 2025.

71.9 Sec. 12. Minnesota Statutes 2022, section 62J.84, subdivision 2, is amended to read:

71.10 Subd. 2. **Definitions.** (a) For purposes of this section and section 62J.841, the terms
71.11 defined in this subdivision have the meanings given.

71.12 (b) "Biosimilar" means a drug that is produced or distributed pursuant to a biologics
71.13 license application approved under United States Code, title 42, section 262(K)(3).

71.14 (c) "Brand name drug" means a drug that is produced or distributed pursuant to:

71.15 (1) an original, new drug application approved under United States Code, title 21, section
71.16 355(c), except for a generic drug as defined under Code of Federal Regulations, title 42,
71.17 section 447.502; or

71.18 (2) a biologics license application approved under United States Code, title 45, section
71.19 262(a)(c).

71.20 (d) "Commissioner" means the commissioner of health.

71.21 (e) "Generic drug" means a drug that is marketed or distributed pursuant to:

71.22 (1) an abbreviated new drug application approved under United States Code, title 21,
71.23 section 355(j);

71.24 (2) an authorized generic as defined under Code of Federal Regulations, title 45, section
71.25 447.502; or

71.26 (3) a drug that entered the market the year before 1962 and was not originally marketed
71.27 under a new drug application.

71.28 (f) "Manufacturer" means a drug manufacturer licensed under section 151.252, but does
71.29 not include an entity required to be licensed under that section solely because the entity
71.30 repackages or relabels drugs.

72.1 (g) "New prescription drug" or "new drug" means a prescription drug approved for
72.2 marketing by the United States Food and Drug Administration for which no previous
72.3 wholesale acquisition cost has been established for comparison.

72.4 (h) "Patient assistance program" means a program that a manufacturer offers to the public
72.5 in which a consumer may reduce the consumer's out-of-pocket costs for prescription drugs
72.6 by using coupons, discount cards, prepaid gift cards, manufacturer debit cards, or by other
72.7 means.

72.8 (i) "Prescription drug" or "drug" has the meaning provided in section 151.441, subdivision
72.9 8.

72.10 (j) "Price" means the wholesale acquisition cost as defined in United States Code, title
72.11 42, section 1395w-3a(c)(6)(B).

72.12 Sec. 13. Minnesota Statutes 2022, section 62J.84, subdivision 6, is amended to read:

72.13 **Subd. 6. Public posting of prescription drug price information.** (a) The commissioner
72.14 shall post on the department's website, or may contract with a private entity or consortium
72.15 that satisfies the standards of section 62U.04, subdivision 6, to meet this requirement, the
72.16 following information:

72.17 (1) a list of the prescription drugs reported under subdivisions 3, 4, and 5, and the
72.18 manufacturers of those prescription drugs; ~~and~~

72.19 (2) information reported to the commissioner under subdivisions 3, 4, and 5; and

72.20 (3) information reported to the commissioner under section 62J.841, subdivision 2.

72.21 (b) The information must be published in an easy-to-read format and in a manner that
72.22 identifies the information that is disclosed on a per-drug basis and must not be aggregated
72.23 in a manner that prevents the identification of the prescription drug.

72.24 (c) The commissioner shall not post to the department's website or a private entity
72.25 contracting with the commissioner shall not post any information described in this section
72.26 if the information is not public data under section 13.02, subdivision 8a; or subject to section
72.27 62J.841, subdivision 2, paragraph (e), is trade secret information under section 13.37,
72.28 subdivision 1, paragraph (b); or subject to section 62J.841, subdivision 2, paragraph (e), is
72.29 trade secret information pursuant to the Defend Trade Secrets Act of 2016, United States
72.30 Code, title 18, section 1836, as amended. If a manufacturer believes information should be
72.31 withheld from public disclosure pursuant to this paragraph, the manufacturer must clearly
72.32 and specifically identify that information and describe the legal basis in writing when the

73.1 manufacturer submits the information under this section. If the commissioner disagrees
 73.2 with the manufacturer's request to withhold information from public disclosure, the
 73.3 commissioner shall provide the manufacturer written notice that the information will be
 73.4 publicly posted 30 days after the date of the notice.

73.5 (d) If the commissioner withholds any information from public disclosure pursuant to
 73.6 this subdivision, the commissioner shall post to the department's website a report describing
 73.7 the nature of the information and the commissioner's basis for withholding the information
 73.8 from disclosure.

73.9 (e) To the extent the information required to be posted under this subdivision is collected
 73.10 and made available to the public by another state, by the University of Minnesota, or through
 73.11 an online drug pricing reference and analytical tool, the commissioner may reference the
 73.12 availability of this drug price data from another source including, within existing
 73.13 appropriations, creating the ability of the public to access the data from the source for
 73.14 purposes of meeting the reporting requirements of this subdivision.

73.15 Sec. 14. Minnesota Statutes 2022, section 62J.84, subdivision 7, is amended to read:

73.16 Subd. 7. **Consultation.** (a) The commissioner may consult with a private entity or
 73.17 consortium that satisfies the standards of section 62U.04, subdivision 6, the University of
 73.18 Minnesota, or the commissioner of commerce, as appropriate, in issuing the form and format
 73.19 of the information reported under this section and section 62J.841; in posting information
 73.20 pursuant to subdivision 6; and in taking any other action for the purpose of implementing
 73.21 this section and section 62J.841.

73.22 (b) The commissioner may consult with representatives of the manufacturers to establish
 73.23 a standard format for reporting information under this section and section 62J.841 and may
 73.24 use existing reporting methodologies to establish a standard format to minimize
 73.25 administrative burdens to the state and manufacturers.

73.26 Sec. 15. Minnesota Statutes 2022, section 62J.84, subdivision 8, is amended to read:

73.27 Subd. 8. **Enforcement and penalties.** (a) A manufacturer may be subject to a civil
 73.28 penalty, as provided in paragraph (b), for:

73.29 (1) failing to submit timely reports or notices as required by this section and section
 73.30 62J.841;

73.31 (2) failing to provide information required under this section and section 62J.841; ~~or~~

74.1 (3) providing inaccurate or incomplete information under this section and section 62J.841;
 74.2 or

74.3 (4) failing to comply with section 62J.481, subdivisions 2, paragraph (e), and 4.

74.4 (b) The commissioner shall adopt a schedule of civil penalties, not to exceed \$10,000
 74.5 per day of violation, based on the severity of each violation.

74.6 (c) The commissioner shall impose civil penalties under this section and section 62J.841
 74.7 as provided in section 144.99, subdivision 4.

74.8 (d) The commissioner may remit or mitigate civil penalties under this section and section
 74.9 62J.481 upon terms and conditions the commissioner considers proper and consistent with
 74.10 public health and safety.

74.11 (e) Civil penalties collected under this section and section 62J.841 shall be deposited in
 74.12 the health care access fund.

74.13 Sec. 16. Minnesota Statutes 2022, section 62J.84, subdivision 9, is amended to read:

74.14 Subd. 9. **Legislative report.** (a) No later than May 15, ~~2022~~ 2024, and by January 15
 74.15 of each year thereafter, the commissioner shall report to the chairs and ranking minority
 74.16 members of the legislative committees with jurisdiction over commerce and health and
 74.17 human services policy and finance on the implementation of this section and section 62J.841,
 74.18 including but not limited to the effectiveness in addressing the following goals:

74.19 (1) promoting transparency in pharmaceutical pricing for the state, health carriers, and
 74.20 other payers;

74.21 (2) enhancing the understanding on pharmaceutical spending trends; and

74.22 (3) assisting the state, health carriers, and other payers in the management of
 74.23 pharmaceutical costs and limiting formulary changes due to prescription drug cost increases
 74.24 during a coverage year.

74.25 (b) The report must include a summary of the information submitted to the commissioner
 74.26 under subdivisions 3, 4, and 5, and section 62J.841.

74.27 Sec. 17. **[62J.841] REPORTING PRESCRIPTION DRUG PRICES; FORMULARY**
 74.28 **DEVELOPMENT AND PRICE STABILITY.**

74.29 Subdivision 1. Definitions. (a) For purposes of this section, the terms in this subdivision
 74.30 have the meanings given them.

75.1 (b) "Average wholesale price" means the customary reference price for sales by a drug
75.2 wholesaler to a retail pharmacy, as established and published by the manufacturer.

75.3 (c) "National drug code" means the numerical code maintained by the United States
75.4 Food and Drug Administration and includes the label code, product code, and package code.

75.5 (d) "Wholesale acquisition cost" has the meaning given in United States Code, title 42,
75.6 section 1395w-3a(c)(6)(B).

75.7 (e) "Unit" has the meaning given in United States Code, title 42, section 1395w-3a(b)(2).

75.8 Subd. 2. **Price reporting.** (a) Beginning July 31, 2024, and by July 31 each year
75.9 thereafter, a manufacturer must report to the commissioner the information in paragraph
75.10 (b) for every drug with a wholesale acquisition cost of \$100 or more for a 30-day supply
75.11 or for a course of treatment lasting less than 30 days, as applicable to the next calendar year.

75.12 (b) A manufacturer shall report a drug's:

75.13 (1) national drug code, labeler code, and the manufacturer name associated with the
75.14 labeler code;

75.15 (2) brand name, if applicable;

75.16 (3) generic name, if applicable;

75.17 (4) wholesale acquisition cost for one unit;

75.18 (5) measure that constitutes a wholesale acquisition cost unit;

75.19 (6) average wholesale price; and

75.20 (7) status as brand name or generic.

75.21 (c) The effective date of the information described in paragraph (b) must be included in
75.22 the report to the commissioner.

75.23 (d) A manufacturer must report the information described in this subdivision in the form
75.24 and manner specified by the commissioner.

75.25 (e) Information reported under this subdivision is classified as public data not on
75.26 individuals, as defined in section 13.02, subdivision 14, and must not be classified by the
75.27 manufacturer as trade secret information, as defined in section 13.37, subdivision 1, paragraph
75.28 (b).

75.29 (f) A manufacturer's failure to report the information required by this subdivision is
75.30 grounds for disciplinary action under section 151.071, subdivision 2.

76.1 Subd. 3. **Public posting of prescription drug price information.** By October 1 of each
76.2 year, beginning October 1, 2024, the commissioner must post the information reported
76.3 under subdivision 2 on the department's website, as required by section 62J.84, subdivision
76.4 6.

76.5 Subd. 4. **Price change.** (a) If a drug subject to price reporting under subdivision 2 is
76.6 included in the formulary of a health plan submitted to and approved by the commissioner
76.7 of commerce for the next calendar year under section 62A.02, subdivision 1, the manufacturer
76.8 may increase the wholesale acquisition cost of the drug for the next calendar year only after
76.9 providing the commissioner with at least 90 days' written notice.

76.10 (b) A manufacturer's failure to meet the requirements of paragraph (a) is grounds for
76.11 disciplinary action under section 151.071, subdivision 2.

76.12 **Sec. 18. [62Q.473] BIOMARKER TESTING.**

76.13 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this
76.14 subdivision have the meanings given.

76.15 (b) "Biomarker" means a characteristic that is objectively measured and evaluated as an
76.16 indicator of normal biological processes, pathogenic processes, or pharmacologic responses
76.17 to a specific therapeutic intervention, including but not limited to known gene-drug
76.18 interactions for medications being considered for use or already being administered.
76.19 Biomarkers include but are not limited to gene mutations, characteristics of genes, or protein
76.20 expression.

76.21 (c) "Biomarker testing" means the analysis of an individual's tissue, blood, or other
76.22 biospecimen for the presence of a biomarker. Biomarker testing includes but is not limited
76.23 to single-analyst tests; multiplex panel tests; protein expression; and whole exome, whole
76.24 genome, and whole transcriptome sequencing.

76.25 (d) "Clinical utility" means a test provides information that is used to formulate a
76.26 treatment or monitoring strategy that informs a patient's outcome and impacts the clinical
76.27 decision. The most appropriate test may include information that is actionable and some
76.28 information that cannot be immediately used to formulate a clinical decision.

76.29 (e) "Consensus statement" means a statement that (1) describes optimal clinical care
76.30 outcomes, based on the best available evidence, for a specific clinical circumstance; and
76.31 (2) is developed by an independent, multidisciplinary panel of experts that (i) uses a rigorous
76.32 and validated development process that includes a transparent methodology and reporting
76.33 structure, and (ii) strictly adheres to the panel's conflict of interest policy.

77.1 (f) "Nationally recognized clinical practice guideline" means an evidence-based clinical
 77.2 practice guideline that (1) establishes a standard of care informed by (i) a systematic review
 77.3 of evidence, and (ii) an assessment of the risks and benefits of alternative care options; and
 77.4 (2) is developed by an independent organization or medical professional society that (i)
 77.5 uses a transparent methodology and reporting structure, and (ii) adheres to a conflict of
 77.6 interest policy. Nationally recognized clinical practice guideline includes recommendations
 77.7 to optimize patient care.

77.8 Subd. 2. **Biomarker testing; coverage required.** (a) A health plan must provide coverage
 77.9 for biomarker testing to diagnose, treat, manage, and monitor illness or disease if the test
 77.10 provides clinical utility. For purposes of this section, a test's clinical utility may be
 77.11 demonstrated by medical and scientific evidence, including but not limited to:

77.12 (1) nationally recognized clinical practice guidelines as defined in this section;

77.13 (2) consensus statements as defined in this section;

77.14 (3) labeled indications for a United States Food and Drug Administration (FDA)-approved
 77.15 or FDA-cleared test, indicated tests for an FDA-approved drug, or adherence to warnings
 77.16 and precautions on FDA-approved drug labels; or

77.17 (4) Centers for Medicare and Medicaid Services national coverage determinations or
 77.18 Medicare Administrative Contractor local coverage determinations.

77.19 (b) Coverage under this section must be provided in a manner that limits disruption of
 77.20 care, including the need for multiple biopsies or biospecimen samples.

77.21 (c) Nothing in this section prohibits a health plan company from requiring a prior
 77.22 authorization or imposing other utilization controls when approving coverage for biomarker
 77.23 testing.

77.24 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to health
 77.25 plans offered, issued, or renewed on or after that date.

77.26 Sec. 19. **[62Q.522] COVERAGE OF CONTRACEPTIVE METHODS AND**
 77.27 **SERVICES.**

77.28 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

77.29 (b) "Closely held for-profit entity" means an entity that:

77.30 (1) is not a nonprofit entity;

78.1 (2) has more than 50 percent of the value of its ownership interest owned directly or
78.2 indirectly by five or fewer owners; and

78.3 (3) has no publicly traded ownership interest.

78.4 For purposes of this paragraph:

78.5 (i) ownership interests owned by a corporation, partnership, limited liability company,
78.6 estate, trust, or similar entity are considered owned by that entity's shareholders, partners,
78.7 members, or beneficiaries in proportion to their interest held in the corporation, partnership,
78.8 limited liability company, estate, trust, or similar entity;

78.9 (ii) ownership interests owned by a nonprofit entity are considered owned by a single
78.10 owner;

78.11 (iii) ownership interests owned by all individuals in a family are considered held by a
78.12 single owner. For purposes of this item, "family" means brothers and sisters, including
78.13 half-brothers and half-sisters, a spouse, ancestors, and lineal descendants; and

78.14 (iv) if an individual or entity holds an option, warrant, or similar right to purchase an
78.15 ownership interest, the individual or entity is considered to be the owner of those ownership
78.16 interests.

78.17 (c) "Contraceptive method" means a drug, device, or other product approved by the Food
78.18 and Drug Administration to prevent unintended pregnancy.

78.19 (d) "Contraceptive service" means consultation, examination, procedures, and medical
78.20 services related to the prevention of unintended pregnancy, excluding vasectomies. This
78.21 includes but is not limited to voluntary sterilization procedures, patient education, counseling
78.22 on contraceptives, and follow-up services related to contraceptive methods or services,
78.23 management of side effects, counseling for continued adherence, and device insertion or
78.24 removal.

78.25 (e) "Eligible organization" means an organization that opposes providing coverage for
78.26 some or all contraceptive methods or services on account of religious objections and that
78.27 is:

78.28 (1) organized as a nonprofit entity and holds itself out to be religious; or

78.29 (2) organized and operates as a closely held for-profit entity, and the organization's
78.30 owners or highest governing body has adopted, under the organization's applicable rules of
78.31 governance and consistent with state law, a resolution or similar action establishing that the

79.1 organization objects to covering some or all contraceptive methods or services on account
79.2 of the owners' sincerely held religious beliefs.

79.3 (f) "Exempt organization" means an organization that is organized and operates as a
79.4 nonprofit entity and meets the requirements of section 6033(a)(3)(A)(i) or (iii) of the Internal
79.5 Revenue Code of 1986, as amended.

79.6 (g) "Medical necessity" includes but is not limited to considerations such as severity of
79.7 side effects, difference in permanence and reversability of a contraceptive method or service,
79.8 and ability to adhere to the appropriate use of the contraceptive method or service, as
79.9 determined by the attending provider.

79.10 (h) "Therapeutic equivalent version" means a drug, device, or product that can be expected
79.11 to have the same clinical effect and safety profile when administered to a patient under the
79.12 conditions specified in the labeling, and that:

79.13 (1) is approved as safe and effective;

79.14 (2) is a pharmaceutical equivalent, (i) containing identical amounts of the same active
79.15 drug ingredient in the same dosage form and route of administration, and (ii) meeting
79.16 compendial or other applicable standards of strength, quality, purity, and identity;

79.17 (3) is bioequivalent in that:

79.18 (i) the drug, device, or product does not present a known or potential bioequivalence
79.19 problem and meets an acceptable in vitro standard; or

79.20 (ii) if the drug, device, or product does present a known or potential bioequivalence
79.21 problem, it is shown to meet an appropriate bioequivalence standard;

79.22 (4) is adequately labeled; and

79.23 (5) is manufactured in compliance with current manufacturing practice regulations.

79.24 Subd. 2. **Required coverage; cost sharing prohibited.** (a) A health plan must provide
79.25 coverage for contraceptive methods and services.

79.26 (b) A health plan company must not impose cost-sharing requirements, including co-pays,
79.27 deductibles, or co-insurance, for contraceptive methods or services.

79.28 (c) A health plan company must not impose any referral requirements, restrictions, or
79.29 delays for contraceptive methods or services.

79.30 (d) A health plan must include at least one of each type of Food and Drug Administration
79.31 approved contraceptive method in its formulary. If more than one therapeutic equivalent

80.1 version of a contraceptive method is approved, a health plan must include at least one
80.2 therapeutic equivalent version in its formulary, but is not required to include all therapeutic
80.3 equivalent versions.

80.4 (e) For each health plan, a health plan company must list the contraceptive methods and
80.5 services that are covered without cost-sharing in a manner that is easily accessible to
80.6 enrollees, health care providers, and representatives of health care providers. The list for
80.7 each health plan must be promptly updated to reflect changes to the coverage.

80.8 (f) If an enrollee's attending provider recommends a particular contraceptive method or
80.9 service based on a determination of medical necessity for that enrollee, the health plan must
80.10 cover that contraceptive method or service without cost-sharing. The health plan company
80.11 issuing the health plan must defer to the attending provider's determination that the particular
80.12 contraceptive method or service is medically necessary for the enrollee.

80.13 Subd. 3. **Exemption.** (a) An exempt organization is not required to cover contraceptives
80.14 or contraceptive services if the exempt organization has religious objections to the coverage.
80.15 An exempt organization that chooses to not provide coverage for some or all contraceptives
80.16 and contraceptive services must notify employees as part of the hiring process and to all
80.17 employees at least 30 days before:

80.18 (1) an employee enrolls in the health plan; or

80.19 (2) the effective date of the health plan, whichever occurs first.

80.20 (b) If the exempt organization provides coverage for some contraceptive methods or
80.21 services, the notice required under paragraph (a) must provide a list of the contraceptive
80.22 methods or services the organization refuses to cover.

80.23 Subd. 4. **Accommodation for eligible organizations.** (a) A health plan established or
80.24 maintained by an eligible organization complies with the requirements of subdivision 2 to
80.25 provide coverage of contraceptive methods and services, with respect to the contraceptive
80.26 methods or services identified in the notice under this paragraph, if the eligible organization
80.27 provides notice to any health plan company the eligible organization contracts with that it
80.28 is an eligible organization and that the eligible organization has a religious objection to
80.29 coverage for all or a subset of contraceptive methods or services.

80.30 (b) The notice from an eligible organization to a health plan company under paragraph
80.31 (a) must include (1) the name of the eligible organization, (2) a statement that it objects to
80.32 coverage for some or all of contraceptive methods or services, including a list of the
80.33 contraceptive methods or services the eligible organization objects to, if applicable, and (3)

81.1 the health plan name. The notice must be executed by a person authorized to provide notice
 81.2 on behalf of the eligible organization.

81.3 (c) An eligible organization must provide a copy of the notice under paragraph (a) to
 81.4 prospective employees as part of the hiring process and to all employees at least 30 days
 81.5 before:

81.6 (1) an employee enrolls in the health plan; or

81.7 (2) the effective date of the health plan, whichever occurs first.

81.8 (d) A health plan company that receives a copy of the notice under paragraph (a) with
 81.9 respect to a health plan established or maintained by an eligible organization must, for all
 81.10 future enrollments in the health plan:

81.11 (1) expressly exclude coverage for those contraceptive methods or services identified
 81.12 in the notice under paragraph (a) from the health plan; and

81.13 (2) provide separate payments for any contraceptive methods or services required to be
 81.14 covered under subdivision 2 for enrollees as long as the enrollee remains enrolled in the
 81.15 health plan.

81.16 (e) The health plan company must not impose any cost-sharing requirements, including
 81.17 co-pays, deductibles, or co-insurance, or directly or indirectly impose any premium, fee, or
 81.18 other charge for contraceptive services or methods on the eligible organization, health plan,
 81.19 or enrollee.

81.20 (f) On January 1, 2024, and every year thereafter a health plan company must notify the
 81.21 commissioner, in a manner to be determined by the commissioner, of the number of eligible
 81.22 organizations granted an accommodation under this subdivision.

81.23 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to coverage
 81.24 offered, sold, issued, or renewed on or after that date.

81.25 Sec. 20. **[62Q.523] COVERAGE FOR PRESCRIPTION CONTRACEPTIVES;**
 81.26 **SUPPLY REQUIREMENTS.**

81.27 Subdivision 1. **Scope of coverage.** Except as otherwise provided in section 62Q.522,
 81.28 subdivisions 3 and 4, all health plans that provide prescription coverage must comply with
 81.29 the requirements of this section.

81.30 Subd. 2. **Definition.** For purposes of this section, "prescription contraceptive" means
 81.31 any drug or device that requires a prescription and is approved by the Food and Drug
 81.32 Administration to prevent pregnancy. Prescription contraceptive does not include an

82.1 emergency contraceptive drug that prevents pregnancy when administered after sexual
82.2 contact.

82.3 Subd. 3. **Required coverage.** Health plan coverage for a prescription contraceptive must
82.4 provide a 12-month supply for any prescription contraceptive if a 12-month supply is
82.5 prescribed by the prescribing health care provider. The prescribing health care provider
82.6 must determine the appropriate duration to prescribe the prescription contraceptives for, up
82.7 to 12 months.

82.8 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to coverage
82.9 offered, sold, issued, or renewed on or after that date.

82.10 Sec. 21. **[62Q.83] PRESCRIPTION DRUG BENEFIT TRANSPARENCY AND**
82.11 **MANAGEMENT.**

82.12 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
82.13 the meanings given them.

82.14 (b) "Drug" has the meaning given in section 151.01, subdivision 5.

82.15 (c) "Enrollee contract term" means the 12-month term during which benefits associated
82.16 with health plan company products are in effect. For managed care plans and county-based
82.17 purchasing plans under section 256B.69 and chapter 256L, it means a single calendar year.

82.18 (d) "Formulary" means a list of prescription drugs that has been developed by clinical
82.19 and pharmacy experts and that represents the health plan company's medically appropriate
82.20 and cost-effective prescription drugs approved for use.

82.21 (e) "Health plan company" has the meaning given in section 62Q.01, subdivision 4, and
82.22 includes an entity that performs pharmacy benefits management for the health plan company.
82.23 For purposes of this definition, "pharmacy benefits management" means the administration
82.24 or management of prescription drug benefits provided by the health plan company for the
82.25 benefit of the plan's enrollees and may include but is not limited to procurement of
82.26 prescription drugs, clinical formulary development and management services, claims
82.27 processing, and rebate contracting and administration.

82.28 (f) "Prescription" has the meaning given in section 151.01, subdivision 16a.

82.29 Subd. 2. **Prescription drug benefit disclosure.** (a) A health plan company that provides
82.30 prescription drug benefit coverage and uses a formulary must make the plan's formulary
82.31 and related benefit information available by electronic means and, upon request, in writing,
82.32 at least 30 days prior to annual renewal dates.

83.1 (b) Formularies must be organized and disclosed consistent with the most recent version
83.2 of the United States Pharmacopeia's (USP) Model Guidelines.

83.3 (c) For each item or category of items on the formulary, the specific enrollee benefit
83.4 terms must be identified, including enrollee cost-sharing and expected out-of-pocket costs.

83.5 Subd. 3. **Formulary changes.** (a) Once a formulary has been established, a health plan
83.6 company may, at any time during the enrollee's contract term:

83.7 (1) expand its formulary by adding drugs to the formulary;

83.8 (2) reduce co-payments or coinsurance; or

83.9 (3) move a drug to a benefit category that reduces an enrollee's cost.

83.10 (b) A health plan company may remove a brand name drug from the plan's formulary
83.11 or place a brand name drug in a benefit category that increases an enrollee's cost only upon
83.12 the addition to the formulary of a generic or multisource brand name drug rated as
83.13 therapeutically equivalent according to the FDA Orange Book or a biologic drug rated as
83.14 interchangeable according to the FDA Purple Book at a lower cost to the enrollee, or a
83.15 biosimilar as defined by United States Code, title 42, section 262(i)(2), and upon at least a
83.16 60-day notice to prescribers, pharmacists, and affected enrollees.

83.17 (c) A health plan company may change utilization review requirements or move drugs
83.18 to a benefit category that increases an enrollee's cost during the enrollee's contract term
83.19 upon at least a 60-day notice to prescribers, pharmacists, and affected enrollees, provided
83.20 that these changes do not apply to enrollees who are currently taking the drugs affected by
83.21 these changes for the duration of the enrollee's contract term.

83.22 (d) A health plan company may remove any drugs from the plan's formulary that have
83.23 been deemed unsafe by the Food and Drug Administration, that have been withdrawn by
83.24 either the Food and Drug Administration or the product manufacturer, or when an
83.25 independent source of research, clinical guidelines, or evidence-based standards has issued
83.26 drug-specific warnings or recommended changes in drug usage.

83.27 (e) Health plan companies, and managed care plans and county-based purchasing plans
83.28 under section 256B.69 and chapter 256L, may update their formulary or preferred drug list
83.29 quarterly, provided that these changes do not apply to enrollees who are currently taking
83.30 the drugs affected by these changes for the duration of the calendar year.

83.31 Subd. 4. **Not severable.** The provisions of this section shall not be severable from article
83.32 1 of this act. If any provision of article 1 of this act or its application to any individual,
83.33 entity, or circumstance is found to be void for any reason, this section shall be void also.

84.1 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to health
84.2 plans offered, sold, issued, or renewed on or after that date.

84.3 Sec. 22. Minnesota Statutes 2022, section 62U.04, subdivision 4, is amended to read:

84.4 Subd. 4. **Encounter data.** (a) All health plan companies, dental plan companies, and
84.5 third-party administrators shall submit encounter data on a monthly basis to a private entity
84.6 designated by the commissioner of health. The data shall be submitted in a form and manner
84.7 specified by the commissioner subject to the following requirements:

84.8 (1) the data must be de-identified data as described under the Code of Federal Regulations,
84.9 title 45, section 164.514;

84.10 (2) the data for each encounter must include an identifier for the patient's health care
84.11 home if the patient has selected a health care home, data on contractual value-based payments,
84.12 ~~and, for claims incurred on or after January 1, 2019,~~ data deemed necessary by the
84.13 commissioner to uniquely identify claims in the individual health insurance market; ~~and~~

84.14 (3) the data must include enrollee race and ethnicity, to the extent available; and

84.15 (4) except for the identifier data described in clause clauses (2) and (3), the data must
84.16 not include information that is not included in a health care claim, dental care claim, or
84.17 equivalent encounter information transaction that is required under section 62J.536.

84.18 (b) The commissioner or the commissioner's designee shall only use the data submitted
84.19 under paragraph (a) to carry out the commissioner's responsibilities in this section, including
84.20 supplying the data to providers so they can verify their results of the peer grouping process
84.21 consistent with the recommendations developed pursuant to subdivision 3c, paragraph (d),
84.22 and adopted by the commissioner and, if necessary, submit comments to the commissioner
84.23 or initiate an appeal.

84.24 (c) Data on providers collected under this subdivision are private data on individuals or
84.25 nonpublic data, as defined in section 13.02. Notwithstanding the definition of summary data
84.26 in section 13.02, subdivision 19, summary data prepared under this subdivision may be
84.27 derived from nonpublic data. The commissioner or the commissioner's designee shall
84.28 establish procedures and safeguards to protect the integrity and confidentiality of any data
84.29 that it maintains.

84.30 (d) The commissioner or the commissioner's designee shall not publish analyses or
84.31 reports that identify, or could potentially identify, individual patients.

85.1 (e) The commissioner shall compile summary information on the data submitted under
85.2 this subdivision. The commissioner shall work with its vendors to assess the data submitted
85.3 in terms of compliance with the data submission requirements and the completeness of the
85.4 data submitted by comparing the data with summary information compiled by the
85.5 commissioner and with established and emerging data quality standards to ensure data
85.6 quality.

85.7 EFFECTIVE DATE. Paragraph (a), clause (3), is effective retroactively from January
85.8 1, 2023, and applies to claims incurred on or after that date.

85.9 Sec. 23. Minnesota Statutes 2022, section 62U.04, subdivision 5, is amended to read:

85.10 Subd. 5. **Pricing data.** (a) All health plan companies, dental plan companies, and
85.11 third-party administrators shall submit, on a monthly basis, data on their contracted prices
85.12 with health care providers to a private entity designated by the commissioner of health for
85.13 the purposes of performing the analyses required under this subdivision. Data on contracted
85.14 prices submitted under this paragraph must include data on supplemental contractual
85.15 value-based payments paid to health care providers. The data shall be submitted in the form
85.16 and manner specified by the commissioner of health.

85.17 (b) The commissioner or the commissioner's designee shall only use the data submitted
85.18 under this subdivision to carry out the commissioner's responsibilities under this section,
85.19 including supplying the data to providers so they can verify their results of the peer grouping
85.20 process consistent with the recommendations developed pursuant to subdivision 3c, paragraph
85.21 (d), and adopted by the commissioner and, if necessary, submit comments to the
85.22 commissioner or initiate an appeal.

85.23 (c) Data collected under this subdivision are private data on individuals or nonpublic
85.24 data as defined in section 13.02. Notwithstanding the definition of summary data in section
85.25 13.02, subdivision 19, summary data prepared under this section may be derived from
85.26 nonpublic data. The commissioner shall establish procedures and safeguards to protect the
85.27 integrity and confidentiality of any data that it maintains.

85.28 Sec. 24. Minnesota Statutes 2022, section 62U.04, subdivision 5a, is amended to read:

85.29 Subd. 5a. **Self-insurers.** (a) The commissioner shall not require a self-insurer governed
85.30 by the federal Employee Retirement Income Security Act of 1974 (ERISA) to comply with
85.31 this section.

86.1 (b) A third-party administrator must annually notify the self-insurers whose health plans
86.2 are administered by the third-party administrator that the self-insurer may elect to have the
86.3 third-party administrator submit encounter data, data on contracted prices, and data on
86.4 nonclaims-based payments under subdivisions 4, 5, and 5b, from the self-insurer's health
86.5 plan for the upcoming plan year. This notice must be provided in a form and manner specified
86.6 by the commissioner. After receiving responses from self-insurers, a third-party administrator
86.7 must, in a form and manner specified by the commissioner, report to the commissioner:

86.8 (1) the self-insurers that elected to have the third-party administrator submit encounter
86.9 data and data on contracted prices from the self-insurer's health plan for the upcoming plan
86.10 year;

86.11 (2) the self-insurers that declined to have the third-party administrator submit encounter
86.12 data and data on contracted prices from the self-insurer's health plan for the upcoming plan
86.13 year; and

86.14 (3) data deemed necessary by the commissioner to identify and track the status of
86.15 reporting of data from self-insured health plans.

86.16 (c) Data collected under this subdivision are private data on individuals or nonpublic
86.17 data as defined in section 13.02. Notwithstanding the definition of summary data in section
86.18 13.02, subdivision 19, summary data prepared under this subdivision may be derived from
86.19 nonpublic data. The commissioner shall establish procedures and safeguards to protect the
86.20 integrity and confidentiality of any data maintained by the commissioner.

86.21 Sec. 25. Minnesota Statutes 2022, section 62U.04, is amended by adding a subdivision to
86.22 read:

86.23 Subd. 5b. **Nonclaims-based payments.** (a) Beginning January 1, 2025, all health plan
86.24 companies and third-party administrators shall submit to a private entity designated by the
86.25 commissioner of health all nonclaims-based payments made to health care providers. The
86.26 data shall be submitted in a form, manner, and frequency specified by the commissioner.
86.27 Nonclaims-based payments are payments to health care providers designed to pay for value
86.28 of health care services over volume of health care services and include alternative payment
86.29 models or incentives, payments for infrastructure expenditures or investments, and payments
86.30 for workforce expenditures or investments. Nonclaims-based payments submitted under
86.31 this subdivision must, to the extent possible, be attributed to a health care provider in the
86.32 same manner in which claims-based data are attributed to a health care provider and, where
86.33 appropriate, must be combined with data collected under subdivisions 4, 5, and 5a, in
86.34 analyses of health care spending.

87.1 (b) Data collected under this subdivision are private data on individuals or nonpublic
 87.2 data as defined in section 13.02. Notwithstanding the definition of summary data in section
 87.3 13.02, subdivision 19, summary data prepared under this subdivision may be derived from
 87.4 nonpublic data. The commissioner shall establish procedures and safeguards to protect the
 87.5 integrity and confidentiality of any data maintained by the commissioner.

87.6 (c) The commissioner shall consult with health plan companies, hospitals, and health
 87.7 care providers in developing the data reported under this subdivision and standardized
 87.8 reporting forms.

87.9 Sec. 26. Minnesota Statutes 2022, section 62U.04, subdivision 11, is amended to read:

87.10 Subd. 11. **Restricted uses of the all-payer claims data.** (a) Notwithstanding subdivision
 87.11 4, paragraph (b), and subdivision 5, paragraph (b), the commissioner or the commissioner's
 87.12 designee shall only use the data submitted under subdivisions 4 ~~and~~ 5, 5a, and 5b for the
 87.13 following purposes:

87.14 (1) to evaluate the performance of the health care home program as authorized under
 87.15 section 62U.03, subdivision 7;

87.16 (2) to study, in collaboration with the reducing avoidable readmissions effectively
 87.17 (RARE) campaign, hospital readmission trends and rates;

87.18 (3) to analyze variations in health care costs, quality, utilization, and illness burden based
 87.19 on geographical areas or populations;

87.20 (4) to evaluate the state innovation model (SIM) testing grant received by the Departments
 87.21 of Health and Human Services, including the analysis of health care cost, quality, and
 87.22 utilization baseline and trend information for targeted populations and communities; and

87.23 (5) to compile one or more public use files of summary data or tables that must:

87.24 (i) be available to the public for no or minimal cost by March 1, 2016, and available by
 87.25 web-based electronic data download by June 30, 2019;

87.26 (ii) not identify individual patients, payers, or providers;

87.27 (iii) be updated by the commissioner, at least annually, with the most current data
 87.28 available; and

87.29 (iv) contain clear and conspicuous explanations of the characteristics of the data, such
 87.30 as the dates of the data contained in the files, the absence of costs of care for uninsured
 87.31 patients or nonresidents, and other disclaimers that provide appropriate context; ~~and~~

88.1 ~~(v) not lead to the collection of additional data elements beyond what is authorized under~~
 88.2 ~~this section as of June 30, 2015.~~

88.3 (b) The commissioner may publish the results of the authorized uses identified in
 88.4 paragraph (a) so long as the data released publicly do not contain information or descriptions
 88.5 in which the identity of individual hospitals, clinics, or other providers may be discerned.

88.6 ~~(e) Nothing in this subdivision shall be construed to prohibit the commissioner from~~
 88.7 ~~using the data collected under subdivision 4 to complete the state-based risk adjustment~~
 88.8 ~~system assessment due to the legislature on October 1, 2015.~~

88.9 ~~(d) The commissioner or the commissioner's designee may use the data submitted under~~
 88.10 ~~subdivisions 4 and 5 for the purpose described in paragraph (a), clause (3), until July 1,~~
 88.11 ~~2023.~~

88.12 ~~(e) The commissioner shall consult with the all-payer claims database work group~~
 88.13 ~~established under subdivision 12 regarding the technical considerations necessary to create~~
 88.14 ~~the public use files of summary data described in paragraph (a), clause (5).~~

88.15 Sec. 27. Minnesota Statutes 2022, section 62U.04, is amended by adding a subdivision to
 88.16 read:

88.17 Subd. 13. Expanded access to and use of the all-payer claims data. (a) The
 88.18 commissioner may make any data submitted under this section, including data classified as
 88.19 private or nonpublic, available to individuals and organizations engaged in efforts to research
 88.20 or affect transformation in health care outcomes, access, quality, disparities, or spending,
 88.21 provided use of the data serves a public benefit and is not employed to:

88.22 (1) create an unfair market advantage for any participant in the health care market in the
 88.23 state of Minnesota, health plan companies, payers, and providers;

88.24 (2) reidentify or attempt to reidentify an individual in the data; and

88.25 (3) publicly report details derived from the data regarding any contract between a health
 88.26 plan company and a provider.

88.27 (b) To implement provisions in paragraph (a), the commissioner must:

88.28 (1) establish detailed requirements for data access; a process for data users to apply for
 88.29 access to and use of the data; legally enforceable data use agreements to which data users
 88.30 must consent; a clear and robust oversight process for data access and use, including a data
 88.31 management plan, that ensures compliance with state and federal data privacy laws;

89.1 agreements for state agencies and the University of Minnesota to ensure proper and efficient
 89.2 use and security of data; and technical assistance for users of the data and stakeholders;

89.3 (2) develop a fee schedule to support the cost of expanded use of the data, provided the
 89.4 fees charged under the schedule do not create a barrier to access for those most affected by
 89.5 disparities; and

89.6 (3) create a research advisory group to advise the commissioner on applications for data
 89.7 use under this subdivision, including an examination of the rigor of the research approach,
 89.8 the technical capabilities of the proposed users, and the ability of the proposed user to
 89.9 successfully safeguard the data.

89.10 Sec. 28. Minnesota Statutes 2022, section 62U.10, subdivision 7, is amended to read:

89.11 Subd. 7. **Outcomes reporting; savings determination.** (a) ~~Beginning November 1,~~
 89.12 ~~2016, and~~ Each November 1 ~~thereafter~~, the commissioner of health shall determine the
 89.13 actual total private and public health care and long-term care spending for Minnesota
 89.14 residents related to each health indicator projected in subdivision 6 for the most recent
 89.15 calendar year available. The commissioner shall determine the difference between the
 89.16 projected and actual spending for each health indicator and for each year, and determine
 89.17 the savings attributable to changes in these health indicators. The assumptions and research
 89.18 methods used to calculate actual spending must be determined to be appropriate by an
 89.19 independent actuarial consultant. If the actual spending is less than the projected spending,
 89.20 the commissioner, in consultation with the commissioners of human services and management
 89.21 and budget, shall use the proportion of spending for state-administered health care programs
 89.22 to total private and public health care spending for each health indicator for the calendar
 89.23 year two years before the current calendar year to determine the percentage of the calculated
 89.24 aggregate savings amount accruing to state-administered health care programs.

89.25 (b) The commissioner may use the data submitted under section 62U.04, subdivisions
 89.26 ~~4 and~~ 5, 5a, and 5b, to complete the activities required under this section, but may only
 89.27 report publicly on regional data aggregated to granularity of 25,000 lives or greater for this
 89.28 purpose.

89.29 Sec. 29. Minnesota Statutes 2022, section 151.071, subdivision 2, is amended to read:

89.30 Subd. 2. **Grounds for disciplinary action.** The following conduct is prohibited and is
 89.31 grounds for disciplinary action:

90.1 (1) failure to demonstrate the qualifications or satisfy the requirements for a license or
90.2 registration contained in this chapter or the rules of the board. The burden of proof is on
90.3 the applicant to demonstrate such qualifications or satisfaction of such requirements;

90.4 (2) obtaining a license by fraud or by misleading the board in any way during the
90.5 application process or obtaining a license by cheating, or attempting to subvert the licensing
90.6 examination process. Conduct that subverts or attempts to subvert the licensing examination
90.7 process includes, but is not limited to: (i) conduct that violates the security of the examination
90.8 materials, such as removing examination materials from the examination room or having
90.9 unauthorized possession of any portion of a future, current, or previously administered
90.10 licensing examination; (ii) conduct that violates the standard of test administration, such as
90.11 communicating with another examinee during administration of the examination, copying
90.12 another examinee's answers, permitting another examinee to copy one's answers, or
90.13 possessing unauthorized materials; or (iii) impersonating an examinee or permitting an
90.14 impersonator to take the examination on one's own behalf;

90.15 (3) for a pharmacist, pharmacy technician, pharmacist intern, applicant for a pharmacist
90.16 or pharmacy license, or applicant for a pharmacy technician or pharmacist intern registration,
90.17 conviction of a felony reasonably related to the practice of pharmacy. Conviction as used
90.18 in this subdivision includes a conviction of an offense that if committed in this state would
90.19 be deemed a felony without regard to its designation elsewhere, or a criminal proceeding
90.20 where a finding or verdict of guilt is made or returned but the adjudication of guilt is either
90.21 withheld or not entered thereon. The board may delay the issuance of a new license or
90.22 registration if the applicant has been charged with a felony until the matter has been
90.23 adjudicated;

90.24 (4) for a facility, other than a pharmacy, licensed or registered by the board, if an owner
90.25 or applicant is convicted of a felony reasonably related to the operation of the facility. The
90.26 board may delay the issuance of a new license or registration if the owner or applicant has
90.27 been charged with a felony until the matter has been adjudicated;

90.28 (5) for a controlled substance researcher, conviction of a felony reasonably related to
90.29 controlled substances or to the practice of the researcher's profession. The board may delay
90.30 the issuance of a registration if the applicant has been charged with a felony until the matter
90.31 has been adjudicated;

90.32 (6) disciplinary action taken by another state or by one of this state's health licensing
90.33 agencies:

91.1 (i) revocation, suspension, restriction, limitation, or other disciplinary action against a
91.2 license or registration in another state or jurisdiction, failure to report to the board that
91.3 charges or allegations regarding the person's license or registration have been brought in
91.4 another state or jurisdiction, or having been refused a license or registration by any other
91.5 state or jurisdiction. The board may delay the issuance of a new license or registration if an
91.6 investigation or disciplinary action is pending in another state or jurisdiction until the
91.7 investigation or action has been dismissed or otherwise resolved; and

91.8 (ii) revocation, suspension, restriction, limitation, or other disciplinary action against a
91.9 license or registration issued by another of this state's health licensing agencies, failure to
91.10 report to the board that charges regarding the person's license or registration have been
91.11 brought by another of this state's health licensing agencies, or having been refused a license
91.12 or registration by another of this state's health licensing agencies. The board may delay the
91.13 issuance of a new license or registration if a disciplinary action is pending before another
91.14 of this state's health licensing agencies until the action has been dismissed or otherwise
91.15 resolved;

91.16 (7) for a pharmacist, pharmacy, pharmacy technician, or pharmacist intern, violation of
91.17 any order of the board, of any of the provisions of this chapter or any rules of the board or
91.18 violation of any federal, state, or local law or rule reasonably pertaining to the practice of
91.19 pharmacy;

91.20 (8) for a facility, other than a pharmacy, licensed by the board, violations of any order
91.21 of the board, of any of the provisions of this chapter or the rules of the board or violation
91.22 of any federal, state, or local law relating to the operation of the facility;

91.23 (9) engaging in any unethical conduct; conduct likely to deceive, defraud, or harm the
91.24 public, or demonstrating a willful or careless disregard for the health, welfare, or safety of
91.25 a patient; or pharmacy practice that is professionally incompetent, in that it may create
91.26 unnecessary danger to any patient's life, health, or safety, in any of which cases, proof of
91.27 actual injury need not be established;

91.28 (10) aiding or abetting an unlicensed person in the practice of pharmacy, except that it
91.29 is not a violation of this clause for a pharmacist to supervise a properly registered pharmacy
91.30 technician or pharmacist intern if that person is performing duties allowed by this chapter
91.31 or the rules of the board;

91.32 (11) for an individual licensed or registered by the board, adjudication as mentally ill
91.33 or developmentally disabled, or as a chemically dependent person, a person dangerous to
91.34 the public, a sexually dangerous person, or a person who has a sexual psychopathic

92.1 personality, by a court of competent jurisdiction, within or without this state. Such
92.2 adjudication shall automatically suspend a license for the duration thereof unless the board
92.3 orders otherwise;

92.4 (12) for a pharmacist or pharmacy intern, engaging in unprofessional conduct as specified
92.5 in the board's rules. In the case of a pharmacy technician, engaging in conduct specified in
92.6 board rules that would be unprofessional if it were engaged in by a pharmacist or pharmacist
92.7 intern or performing duties specifically reserved for pharmacists under this chapter or the
92.8 rules of the board;

92.9 (13) for a pharmacy, operation of the pharmacy without a pharmacist present and on
92.10 duty except as allowed by a variance approved by the board;

92.11 (14) for a pharmacist, the inability to practice pharmacy with reasonable skill and safety
92.12 to patients by reason of illness, use of alcohol, drugs, narcotics, chemicals, or any other type
92.13 of material or as a result of any mental or physical condition, including deterioration through
92.14 the aging process or loss of motor skills. In the case of registered pharmacy technicians,
92.15 pharmacist interns, or controlled substance researchers, the inability to carry out duties
92.16 allowed under this chapter or the rules of the board with reasonable skill and safety to
92.17 patients by reason of illness, use of alcohol, drugs, narcotics, chemicals, or any other type
92.18 of material or as a result of any mental or physical condition, including deterioration through
92.19 the aging process or loss of motor skills;

92.20 (15) for a pharmacist, pharmacy, pharmacist intern, pharmacy technician, medical gas
92.21 dispenser, or controlled substance researcher, revealing a privileged communication from
92.22 or relating to a patient except when otherwise required or permitted by law;

92.23 (16) for a pharmacist or pharmacy, improper management of patient records, including
92.24 failure to maintain adequate patient records, to comply with a patient's request made pursuant
92.25 to sections 144.291 to 144.298, or to furnish a patient record or report required by law;

92.26 (17) fee splitting, including without limitation:

92.27 (i) paying, offering to pay, receiving, or agreeing to receive, a commission, rebate,
92.28 kickback, or other form of remuneration, directly or indirectly, for the referral of patients;

92.29 (ii) referring a patient to any health care provider as defined in sections 144.291 to
92.30 144.298 in which the licensee or registrant has a financial or economic interest as defined
92.31 in section 144.6521, subdivision 3, unless the licensee or registrant has disclosed the
92.32 licensee's or registrant's financial or economic interest in accordance with section 144.6521;
92.33 and

93.1 (iii) any arrangement through which a pharmacy, in which the prescribing practitioner
93.2 does not have a significant ownership interest, fills a prescription drug order and the
93.3 prescribing practitioner is involved in any manner, directly or indirectly, in setting the price
93.4 for the filled prescription that is charged to the patient, the patient's insurer or pharmacy
93.5 benefit manager, or other person paying for the prescription or, in the case of veterinary
93.6 patients, the price for the filled prescription that is charged to the client or other person
93.7 paying for the prescription, except that a veterinarian and a pharmacy may enter into such
93.8 an arrangement provided that the client or other person paying for the prescription is notified,
93.9 in writing and with each prescription dispensed, about the arrangement, unless such
93.10 arrangement involves pharmacy services provided for livestock, poultry, and agricultural
93.11 production systems, in which case client notification would not be required;

93.12 (18) engaging in abusive or fraudulent billing practices, including violations of the
93.13 federal Medicare and Medicaid laws or state medical assistance laws or rules;

93.14 (19) engaging in conduct with a patient that is sexual or may reasonably be interpreted
93.15 by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning
93.16 to a patient;

93.17 (20) failure to make reports as required by section 151.072 or to cooperate with an
93.18 investigation of the board as required by section 151.074;

93.19 (21) knowingly providing false or misleading information that is directly related to the
93.20 care of a patient unless done for an accepted therapeutic purpose such as the dispensing and
93.21 administration of a placebo;

93.22 (22) aiding suicide or aiding attempted suicide in violation of section 609.215 as
93.23 established by any of the following:

93.24 (i) a copy of the record of criminal conviction or plea of guilty for a felony in violation
93.25 of section 609.215, subdivision 1 or 2;

93.26 (ii) a copy of the record of a judgment of contempt of court for violating an injunction
93.27 issued under section 609.215, subdivision 4;

93.28 (iii) a copy of the record of a judgment assessing damages under section 609.215,
93.29 subdivision 5; or

93.30 (iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2.
93.31 The board must investigate any complaint of a violation of section 609.215, subdivision 1
93.32 or 2;

94.1 (23) for a pharmacist, practice of pharmacy under a lapsed or nonrenewed license. For
 94.2 a pharmacist intern, pharmacy technician, or controlled substance researcher, performing
 94.3 duties permitted to such individuals by this chapter or the rules of the board under a lapsed
 94.4 or nonrenewed registration. For a facility required to be licensed under this chapter, operation
 94.5 of the facility under a lapsed or nonrenewed license or registration; ~~and~~

94.6 (24) for a pharmacist, pharmacist intern, or pharmacy technician, termination or discharge
 94.7 from the health professionals services program for reasons other than the satisfactory
 94.8 completion of the program; and

94.9 (25) for a drug manufacturer, failure to comply with section 62J.841.

94.10 **Sec. 30. REPORT ON TRANSPARENCY OF HEALTH CARE PAYMENTS.**

94.11 Subdivision 1. **Definitions.** (a) The terms defined in this subdivision apply to this section.

94.12 (b) "Commissioner" means the commissioner of health.

94.13 (c) "Nonclaims-based payments" means payments to health care providers designed to
 94.14 support and reward value of health care services over volume of health care services and
 94.15 includes alternative payment models or incentives, payments for infrastructure expenditures
 94.16 or investments, and payments for workforce expenditures or investments.

94.17 (d) "Nonpublic data" has the meaning given in Minnesota Statutes, section 13.02,
 94.18 subdivision 9.

94.19 (e) "Primary care services" means integrated, accessible health care services provided
 94.20 by clinicians who are accountable for addressing a large majority of personal health care
 94.21 needs, developing a sustained partnership with patients, and practicing in the context of
 94.22 family and community. Primary care services include but are not limited to preventive
 94.23 services, office visits, administration of vaccines, annual physicals, pre-operative physicals,
 94.24 assessments, care coordination, development of treatment plans, management of chronic
 94.25 conditions, and diagnostic tests.

94.26 Subd. 2. **Report.** (a) To provide the legislature with information needed to meet the
 94.27 evolving health care needs of Minnesotans, the commissioner shall report to the legislature
 94.28 by February 15, 2024, on the volume and distribution of health care spending across payment
 94.29 models used by health plan companies and third-party administrators, with a particular focus
 94.30 on value-based care models and primary care spending.

94.31 (b) The report must include specific health plan and third-party administrator estimates
 94.32 of health care spending for claims-based payments and nonclaims-based payments for the

95.1 most recent available year, reported separately for Minnesotans enrolled in state health care
95.2 programs, Medicare Advantage, and commercial health insurance. The report must also
95.3 include recommendations on changes needed to gather better data from health plan companies
95.4 and third-party administrators on the use of value-based payments that pay for value of
95.5 health care services provided over volume of services provided, promote the health of all
95.6 Minnesotans, reduce health disparities, and support the provision of primary care services
95.7 and preventive services.

95.8 (c) In preparing the report, the commissioner shall:

95.9 (1) describe the form, manner, and timeline for submission of data by health plan
95.10 companies and third-party administrators to produce estimates as specified in paragraph
95.11 (b);

95.12 (2) collect summary data that permits the computation of:

95.13 (i) the percentage of total payments that are nonclaims-based payments; and

95.14 (ii) the percentage of payments in item (i) that are for primary care services;

95.15 (3) where data was not directly derived, specify the methods used to estimate data
95.16 elements;

95.17 (4) notwithstanding Minnesota Statutes, section 62U.04, subdivision 11, conduct analyses
95.18 of the magnitude of primary care payments using data collected by the commissioner under
95.19 Minnesota Statutes, section 62U.04; and

95.20 (5) conduct interviews with health plan companies and third-party administrators to
95.21 better understand the types of nonclaims-based payments and models in use, the purposes
95.22 or goals of each, the criteria for health care providers to qualify for these payments, and the
95.23 timing and structure of health plan companies or third-party administrators making these
95.24 payments to health care provider organizations.

95.25 (d) Health plan companies and third-party administrators must comply with data requests
95.26 from the commissioner under this section within 60 days after receiving the request.

95.27 (e) Data collected under this section is nonpublic data. Notwithstanding the definition
95.28 of summary data in Minnesota Statutes, section 13.02, subdivision 19, summary data prepared
95.29 under this section may be derived from nonpublic data. The commissioner shall establish
95.30 procedures and safeguards to protect the integrity and confidentiality of any data maintained
95.31 by the commissioner.

96.1 Sec. 31. COMMISSIONER OF COMMERCE.

96.2 The commissioner of commerce shall consult with health plan companies, pharmacies,
 96.3 and pharmacy benefit managers to develop guidance to implement coverage for the pharmacy
 96.4 services required by sections 1 to 3 (from 2459A1).

96.5 **ARTICLE 3**

96.6 **KEEPING NURSES AT THE BEDSIDE**

96.7 Section 1. Minnesota Statutes 2022, section 144.1501, subdivision 1, is amended to read:

96.8 Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions
 96.9 apply.

96.10 (b) "Advanced dental therapist" means an individual who is licensed as a dental therapist
 96.11 under section 150A.06, and who is certified as an advanced dental therapist under section
 96.12 150A.106.

96.13 (c) "Alcohol and drug counselor" means an individual who is licensed as an alcohol and
 96.14 drug counselor under chapter 148F.

96.15 (d) "Dental therapist" means an individual who is licensed as a dental therapist under
 96.16 section 150A.06.

96.17 (e) "Dentist" means an individual who is licensed to practice dentistry.

96.18 (f) "Designated rural area" means a statutory and home rule charter city or township that
 96.19 is outside the seven-county metropolitan area as defined in section 473.121, subdivision 2,
 96.20 excluding the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud.

96.21 (g) "Emergency circumstances" means those conditions that make it impossible for the
 96.22 participant to fulfill the service commitment, including death, total and permanent disability,
 96.23 or temporary disability lasting more than two years.

96.24 (h) "Hospital nurse" means an individual who is licensed as a registered nurse and who
 96.25 is providing direct patient care in a nonprofit hospital setting.

96.26 (i) "Mental health professional" means an individual providing clinical services in the
 96.27 treatment of mental illness who is qualified in at least one of the ways specified in section
 96.28 245.462, subdivision 18.

96.29 (†)(j) "Medical resident" means an individual participating in a medical residency in
 96.30 family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.

97.1 ~~(j)~~ (k) "Midlevel practitioner" means a nurse practitioner, nurse-midwife, nurse
97.2 anesthetist, advanced clinical nurse specialist, or physician assistant.

97.3 ~~(k)~~ (l) "Nurse" means an individual who has completed training and received all licensing
97.4 or certification necessary to perform duties as a licensed practical nurse or registered nurse.

97.5 ~~(l)~~ (m) "Nurse-midwife" means a registered nurse who has graduated from a program
97.6 of study designed to prepare registered nurses for advanced practice as nurse-midwives.

97.7 ~~(m)~~ (n) "Nurse practitioner" means a registered nurse who has graduated from a program
97.8 of study designed to prepare registered nurses for advanced practice as nurse practitioners.

97.9 ~~(n)~~ (o) "Pharmacist" means an individual with a valid license issued under chapter 151.

97.10 ~~(o)~~ (p) "Physician" means an individual who is licensed to practice medicine in the areas
97.11 of family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.

97.12 ~~(p)~~ (q) "Physician assistant" means a person licensed under chapter 147A.

97.13 (r) "PSLF program" means the federal Public Service Loan Forgiveness program
97.14 established under Code of Federal Regulations, title 34, section 685.219.

97.15 ~~(q)~~ (s) "Public health nurse" means a registered nurse licensed in Minnesota who has
97.16 obtained a registration certificate as a public health nurse from the Board of Nursing in
97.17 accordance with Minnesota Rules, chapter 6316.

97.18 ~~(r)~~ (t) "Qualified educational loan" means a government, commercial, or foundation loan
97.19 for actual costs paid for tuition, reasonable education expenses, and reasonable living
97.20 expenses related to the graduate or undergraduate education of a health care professional.

97.21 ~~(s)~~ (u) "Underserved urban community" means a Minnesota urban area or population
97.22 included in the list of designated primary medical care health professional shortage areas
97.23 (HPSAs), medically underserved areas (MUAs), or medically underserved populations
97.24 (MUPs) maintained and updated by the United States Department of Health and Human
97.25 Services.

97.26 Sec. 2. Minnesota Statutes 2022, section 144.1501, subdivision 2, is amended to read:

97.27 Subd. 2. **Creation of account.** (a) A health professional education loan forgiveness
97.28 program account is established. The commissioner of health shall use money from the
97.29 account to establish a loan forgiveness program:

98.1 (1) for medical residents, mental health professionals, and alcohol and drug counselors
98.2 agreeing to practice in designated rural areas or underserved urban communities or
98.3 specializing in the area of pediatric psychiatry;

98.4 (2) for midlevel practitioners agreeing to practice in designated rural areas or to teach
98.5 at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program
98.6 at the undergraduate level or the equivalent at the graduate level;

98.7 (3) for nurses who agree to practice in a Minnesota nursing home; an intermediate care
98.8 facility for persons with developmental disability; a hospital if the hospital owns and operates
98.9 a Minnesota nursing home and a minimum of 50 percent of the hours worked by the nurse
98.10 is in the nursing home; a housing with services establishment as defined in section 144D.01,
98.11 subdivision 4; or for a home care provider as defined in section 144A.43, subdivision 4; or
98.12 agree to teach at least 12 credit hours, or 720 hours per year in the nursing field in a
98.13 postsecondary program at the undergraduate level or the equivalent at the graduate level;

98.14 (4) for other health care technicians agreeing to teach at least 12 credit hours, or 720
98.15 hours per year in their designated field in a postsecondary program at the undergraduate
98.16 level or the equivalent at the graduate level. The commissioner, in consultation with the
98.17 Healthcare Education-Industry Partnership, shall determine the health care fields where the
98.18 need is the greatest, including, but not limited to, respiratory therapy, clinical laboratory
98.19 technology, radiologic technology, and surgical technology;

98.20 (5) for pharmacists, advanced dental therapists, dental therapists, and public health nurses
98.21 who agree to practice in designated rural areas; ~~and~~

98.22 (6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient
98.23 encounters to state public program enrollees or patients receiving sliding fee schedule
98.24 discounts through a formal sliding fee schedule meeting the standards established by the
98.25 United States Department of Health and Human Services under Code of Federal Regulations,
98.26 title 42, section 51, chapter 303; and

98.27 (7) for nurses who are enrolled in the PSLF program, employed as a hospital nurse by
98.28 a nonprofit hospital that is an eligible employer under the PSLF program, and providing
98.29 direct care to patients at the nonprofit hospital.

98.30 (b) Appropriations made to the account do not cancel and are available until expended,
98.31 except that at the end of each biennium, any remaining balance in the account that is not
98.32 committed by contract and not needed to fulfill existing commitments shall cancel to the
98.33 fund.

99.1 Sec. 3. Minnesota Statutes 2022, section 144.1501, subdivision 3, is amended to read:

99.2 Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program, an
99.3 individual must:

99.4 (1) be a medical or dental resident; a licensed pharmacist; or be enrolled in a training or
99.5 education program to become a dentist, dental therapist, advanced dental therapist, mental
99.6 health professional, alcohol and drug counselor, pharmacist, public health nurse, midlevel
99.7 practitioner, registered nurse, or a licensed practical nurse. The commissioner may also
99.8 consider applications submitted by graduates in eligible professions who are licensed and
99.9 in practice; and

99.10 (2) submit an application to the commissioner of health. Nurses applying under
99.11 subdivision 2, paragraph (a), clause (7), must also include proof that the applicant is enrolled
99.12 in the PSLF program and confirmation that the applicant is employed as a hospital nurse.

99.13 (b) An applicant selected to participate must sign a contract to agree to serve a minimum
99.14 three-year full-time service obligation according to subdivision 2, which shall begin no later
99.15 than March 31 following completion of required training, with the exception of:

99.16 (1) a nurse, who must agree to serve a minimum two-year full-time service obligation
99.17 according to subdivision 2, which shall begin no later than March 31 following completion
99.18 of required training;

99.19 (2) a nurse selected under subdivision 2, paragraph (a), clause (7), must agree to continue
99.20 as a hospital nurse for the repayment period of the participant's eligible loan under the PSLF
99.21 program; and

99.22 (3) a nurse who agrees to teach according to subdivision 2, paragraph (a), clause (3),
99.23 must sign a contract to agree to teach for a minimum of two years.

99.24 Sec. 4. Minnesota Statutes 2022, section 144.1501, subdivision 4, is amended to read:

99.25 Subd. 4. **Loan forgiveness.** (a) The commissioner of health may select applicants each
99.26 year for participation in the loan forgiveness program, within the limits of available funding.
99.27 In considering applications, the commissioner shall give preference to applicants who
99.28 document diverse cultural competencies. The commissioner shall distribute available funds
99.29 for loan forgiveness proportionally among the eligible professions according to the vacancy
99.30 rate for each profession in the required geographic area, facility type, teaching area, patient
99.31 group, or specialty type specified in subdivision 2, except for hospital nurses. The
99.32 commissioner shall allocate funds for physician loan forgiveness so that 75 percent of the
99.33 funds available are used for rural physician loan forgiveness and 25 percent of the funds

100.1 available are used for underserved urban communities and pediatric psychiatry loan
100.2 forgiveness. If the commissioner does not receive enough qualified applicants each year to
100.3 use the entire allocation of funds for any eligible profession, the remaining funds may be
100.4 allocated proportionally among the other eligible professions according to the vacancy rate
100.5 for each profession in the required geographic area, patient group, or facility type specified
100.6 in subdivision 2. Applicants are responsible for securing their own qualified educational
100.7 loans. The commissioner shall select participants based on their suitability for practice
100.8 serving the required geographic area or facility type specified in subdivision 2, as indicated
100.9 by experience or training. The commissioner shall give preference to applicants closest to
100.10 completing their training. Except as specified in paragraphs (b) and (c), for each year that
100.11 a participant meets the service obligation required under subdivision 3, up to a maximum
100.12 of four years, the commissioner shall make annual disbursements directly to the participant
100.13 equivalent to 15 percent of the average educational debt for indebted graduates in their
100.14 profession in the year closest to the applicant's selection for which information is available,
100.15 not to exceed the balance of the participant's qualifying educational loans. Before receiving
100.16 loan repayment disbursements and as requested, the participant must complete and return
100.17 to the commissioner a confirmation of practice form provided by the commissioner verifying
100.18 that the participant is practicing as required under subdivisions 2 and 3. The participant
100.19 must provide the commissioner with verification that the full amount of loan repayment
100.20 disbursement received by the participant has been applied toward the designated loans.
100.21 After each disbursement, verification must be received by the commissioner and approved
100.22 before the next loan repayment disbursement is made. Participants who move their practice
100.23 remain eligible for loan repayment as long as they practice as required under subdivision
100.24 2.

100.25 (b) For hospital nurses, the commissioner of health shall select applicants each year for
100.26 participation in the hospital nursing education loan forgiveness program, within limits of
100.27 available funding for hospital nurses. Applicants are responsible for applying for and
100.28 maintaining eligibility for the PSLF program. For each year that a participant meets the
100.29 eligibility requirements described in subdivision 3, the commissioner shall make an annual
100.30 disbursement directly to the participant in an amount equal to the minimum loan payments
100.31 required to be paid by the participant under the participant's repayment plan established for
100.32 the participant under the PSLF program for the previous loan year. Before receiving the
100.33 annual loan repayment disbursement, the participant must complete and return to the
100.34 commissioner a confirmation of practice form provided by the commissioner, verifying that
100.35 the participant continues to meet the eligibility requirements under subdivision 3. The
100.36 participant must provide the commissioner with verification that the full amount of loan

101.1 repayment disbursement received by the participant has been applied toward the loan for
101.2 which forgiveness is sought under the PSLF program.

101.3 (c) For each year that a participant who is a nurse and who has agreed to teach according
101.4 to subdivision 2 meets the teaching obligation required in subdivision 3, the commissioner
101.5 shall make annual disbursements directly to the participant equivalent to 15 percent of the
101.6 average annual educational debt for indebted graduates in the nursing profession in the year
101.7 closest to the participant's selection for which information is available, not to exceed the
101.8 balance of the participant's qualifying educational loans.

101.9 Sec. 5. Minnesota Statutes 2022, section 144.1501, subdivision 5, is amended to read:

101.10 Subd. 5. **Penalty for nonfulfillment.** If a participant does not fulfill the required
101.11 minimum commitment of service according to subdivision 3; or, for hospital nurses, the
101.12 secretary of education determines that the participant does not meet eligibility requirements
101.13 for the PSLF, the commissioner of health shall collect from the participant the total amount
101.14 paid to the participant under the loan forgiveness program plus interest at a rate established
101.15 according to section 270C.40. The commissioner shall deposit the money collected in the
101.16 health care access fund to be credited to the health professional education loan forgiveness
101.17 program account established in subdivision 2. The commissioner shall allow waivers of all
101.18 or part of the money owed the commissioner as a result of a nonfulfillment penalty if
101.19 emergency circumstances prevented fulfillment of the minimum service commitment or,
101.20 for hospital nurses, if the PSLF program is discontinued before the participant's service
101.21 commitment is fulfilled.

101.22 Sec. 6. Minnesota Statutes 2022, section 144.566, is amended to read:

101.23 **144.566 VIOLENCE AGAINST HEALTH CARE WORKERS.**

101.24 Subdivision 1. **Definitions.** (a) The following definitions apply to this section and have
101.25 the meanings given.

101.26 (b) "Act of violence" means an act by a patient or visitor against a health care worker
101.27 that includes kicking, scratching, urinating, sexually harassing, or any act defined in sections
101.28 609.221 to 609.2241.

101.29 (c) "Commissioner" means the commissioner of health.

101.30 (d) "Health care worker" means any person, whether licensed or unlicensed, employed
101.31 by, volunteering in, or under contract with a hospital, who has direct contact with a patient

102.1 of the hospital for purposes of either medical care or emergency response to situations
102.2 potentially involving violence.

102.3 (e) "Hospital" means any facility licensed as a hospital under section 144.55.

102.4 (f) "Incident response" means the actions taken by hospital administration and health
102.5 care workers during and following an act of violence.

102.6 (g) "Interfere" means to prevent, impede, discourage, or delay a health care worker's
102.7 ability to report acts of violence, including by retaliating or threatening to retaliate against
102.8 a health care worker.

102.9 (h) "Preparedness" means the actions taken by hospital administration and health care
102.10 workers to prevent a single act of violence or acts of violence generally.

102.11 (i) "Retaliate" means to discharge, discipline, threaten, otherwise discriminate against,
102.12 or penalize a health care worker regarding the health care worker's compensation, terms,
102.13 conditions, location, or privileges of employment.

102.14 (j) "Workplace violence hazards" means locations and situations where violent incidents
102.15 are more likely to occur, including, as applicable, but not limited to locations isolated from
102.16 other health care workers; health care workers working alone; health care workers working
102.17 in remote locations; health care workers working late night or early morning hours; locations
102.18 where an assailant could prevent entry of responders or other health care workers into a
102.19 work area; locations with poor illumination; locations with poor visibility; lack of physical
102.20 barriers between health care workers and persons at risk of committing workplace violence;
102.21 lack of effective escape routes; obstacles and impediments to accessing alarm systems;
102.22 locations within the facility where alarm systems are not operational; entryways where
102.23 unauthorized entrance may occur, such as doors designated for staff entrance or emergency
102.24 exits; presence, in the areas where patient contact activities are performed, of furnishings
102.25 or objects that could be used as weapons; and locations where high-value items, currency,
102.26 or pharmaceuticals are stored.

102.27 Subd. 2. ~~Hospital duties~~ Action plans and action plan reviews required. (a) All
102.28 hospitals must design and implement preparedness and incident response action plans to
102.29 acts of violence by January 15, 2016, and review and update the plan at least annually
102.30 thereafter. The plan must be in writing; specific to the workplace violence hazards and
102.31 corrective measures for the units, services, or operations of the hospital; and available to
102.32 health care workers at all times.

103.1 Subd. 3. **Action plan committees.** ~~(b)~~ A hospital shall designate a committee of
103.2 representatives of health care workers employed by the hospital, including nonmanagerial
103.3 health care workers, nonclinical staff, administrators, patient safety experts, and other
103.4 appropriate personnel to develop preparedness and incident response action plans to acts
103.5 of violence. The hospital shall, in consultation with the designated committee, implement
103.6 the plans under ~~paragraph (a)~~ subdivision 2. Nothing in this ~~paragraph~~ subdivision shall
103.7 require the establishment of a separate committee solely for the purpose required by this
103.8 subdivision.

103.9 Subd. 4. **Required elements of action plans; generally.** The preparedness and incident
103.10 response action plans to acts of violence must include:

103.11 (1) effective procedures to obtain the active involvement of health care workers and
103.12 their representatives in developing, implementing, and reviewing the plan, including their
103.13 participation in identifying, evaluating, and correcting workplace violence hazards, designing
103.14 and implementing training, and reporting and investigating incidents of workplace violence;

103.15 (2) names or job titles of the persons responsible for implementing the plan; and

103.16 (3) effective procedures to ensure that supervisory and nonsupervisory health care
103.17 workers comply with the plan.

103.18 Subd. 5. **Required elements of action plans; evaluation of risk factors.** (a) The
103.19 preparedness and incident response action plans to acts of violence must include assessment
103.20 procedures to identify and evaluate workplace violence hazards for each facility, unit,
103.21 service, or operation, including community-based risk factors and areas surrounding the
103.22 facility, such as employee parking areas and other outdoor areas. Procedures shall specify
103.23 the frequency with which such environmental assessments will take place.

103.24 (b) The preparedness and incident response action plans to acts of violence must include
103.25 assessment tools, environmental checklists, or other effective means to identify workplace
103.26 violence hazards.

103.27 Subd. 6. **Required elements of action plans; review of workplace violence**
103.28 incidents. The preparedness and incident response action plans to acts of violence must
103.29 include procedures for reviewing all workplace violence incidents that occurred in the
103.30 facility, unit, service, or operation within the previous year, whether or not an injury occurred.

103.31 Subd. 7. **Required elements of action plans; reporting workplace violence.** The
103.32 preparedness and incident response action plans to acts of violence must include:

104.1 (1) effective procedures for health care workers to document information regarding
104.2 conditions that may increase the potential for workplace violence incidents and communicate
104.3 that information without fear of reprisal to other health care workers, shifts, or units;

104.4 (2) effective procedures for health care workers to report a violent incident, threat, or
104.5 other workplace violence concern without fear of reprisal;

104.6 (3) effective procedures for the hospital to accept and respond to reports of workplace
104.7 violence and to prohibit retaliation against a health care worker who makes such a report;

104.8 (4) a policy statement stating the hospital will not prevent a health care worker from
104.9 reporting workplace violence or take punitive or retaliatory action against a health care
104.10 worker for doing so;

104.11 (5) effective procedures for investigating health care worker concerns regarding workplace
104.12 violence or workplace violence hazards;

104.13 (6) procedures for informing health care workers of the results of the investigation arising
104.14 from a report of workplace violence or from a concern about a workplace violence hazard
104.15 and of any corrective actions taken;

104.16 (7) effective procedures for obtaining assistance from the appropriate law enforcement
104.17 agency or social service agency during all work shifts. The procedure may establish a central
104.18 coordination procedure; and

104.19 (8) a policy statement stating the hospital will not prevent a health care worker from
104.20 seeking assistance and intervention from local emergency services or law enforcement when
104.21 a violent incident occurs or take punitive or retaliatory action against a health care worker
104.22 for doing so.

104.23 **Subd. 8. Required elements of action plans; coordination with other employers. The**
104.24 **preparedness and incident response action plans to acts of violence must include methods**
104.25 **the hospital will use to coordinate implementation of the plan with other employers whose**
104.26 **employees work in the same health care facility, unit, service, or operation and to ensure**
104.27 **that those employers and their employees understand their respective roles as provided in**
104.28 **the plan. These methods must ensure that all employees working in the facility, unit, service,**
104.29 **or operation are provided the training required by subdivision 11 and that workplace violence**
104.30 **incidents involving any employee are reported, investigated, and recorded.**

104.31 **Subd. 9. Required elements of action plans; white supremacist affiliation and support**
104.32 **prohibited. (a) The preparedness and incident response action plans to acts of violence**
104.33 **must include a policy statement stating that security personnel employed by the hospital or**

105.1 assigned to the hospital by a contractor are prohibited from affiliating with, supporting, or
 105.2 advocating for white supremacist groups, causes, or ideologies or participating in, or actively
 105.3 promoting, an international or domestic extremist group that the Federal Bureau of
 105.4 Investigation has determined supports or encourages illegal, violent conduct.

105.5 (b) For purposes of this subdivision, white supremacist groups, causes, or ideologies
 105.6 include organizations and associations and ideologies that promote white supremacy and
 105.7 the idea that white people are superior to Black, Indigenous, and people of color (BIPOC);
 105.8 promote religious and racial bigotry; seek to exacerbate racial and ethnic tensions between
 105.9 BIPOC and non-BIPOC; or engage in patently hateful and inflammatory speech, intimidation,
 105.10 and violence against BIPOC as means of promoting white supremacy.

105.11 Subd. 10. **Required elements of action plans; training.** (a) The preparedness and
 105.12 incident response action plans to acts of violence must include:

105.13 (1) procedures for developing and providing the training required in subdivision 11 that
 105.14 permits health care workers and their representatives to participate in developing the training;
 105.15 and

105.16 (2) a requirement for cultural competency training and equity, diversity, and inclusion
 105.17 training.

105.18 (b) The preparedness and incident response action plans to acts of violence must include
 105.19 procedures to communicate with health care workers regarding workplace violence matters,
 105.20 including:

105.21 (1) how health care workers will document and communicate to other health care workers
 105.22 and between shifts and units information regarding conditions that may increase the potential
 105.23 for workplace violence incidents;

105.24 (2) how health care workers can report a violent incident, threat, or other workplace
 105.25 violence concern;

105.26 (3) how health care workers can communicate workplace violence concerns without
 105.27 fear of reprisal; and

105.28 (4) how health care worker concerns will be investigated, and how health care workers
 105.29 will be informed of the results of the investigation and any corrective actions to be taken.

105.30 Subd. 11. **Training required.** (e) A hospital ~~shall~~ must provide training to all health
 105.31 care workers employed or contracted with the hospital on safety during acts of violence.
 105.32 Each health care worker must receive safety training ~~annually and upon hire~~ during the

106.1 health care worker's orientation and before the health care worker completes a shift

106.2 independently, and annually thereafter. Training must, at a minimum, include:

106.3 (1) safety guidelines for response to and de-escalation of an act of violence;

106.4 (2) ways to identify potentially violent or abusive situations, including aggression and

106.5 violence predicting factors; and

106.6 (3) the hospital's ~~incident response reaction plan and violence prevention plan~~

106.7 preparedness and incident response action plans for acts of violence, including how the

106.8 health care worker may report concerns about workplace violence within each hospital's

106.9 reporting structure without fear of reprisal, how the hospital will address workplace violence

106.10 incidents, and how the health care worker can participate in reviewing and revising the plan;

106.11 and

106.12 (4) any resources available to health care workers for coping with incidents of violence,

106.13 including but not limited to critical incident stress debriefing or employee assistance

106.14 programs.

106.15 **Subd. 12. Annual review and update of action plans.** ~~(d)~~ (a) As part of its annual

106.16 review of preparedness and incident response action plans required under ~~paragraph (a)~~

106.17 subdivision 2, the hospital must review with the designated committee:

106.18 (1) the effectiveness of its preparedness and incident response action plans, including

106.19 the sufficiency of security systems, alarms, emergency responses, and security personnel

106.20 availability;

106.21 (2) security risks associated with specific units, areas of the facility with uncontrolled

106.22 access, late night shifts, early morning shifts, and areas surrounding the facility such as

106.23 employee parking areas and other outdoor areas;

106.24 (3) the most recent gap analysis as provided by the commissioner; and

106.25 ~~(3)~~ (4) the number of acts of violence that occurred in the hospital during the previous

106.26 year, including injuries sustained, if any, and the unit in which the incident occurred;

106.27 (5) evaluations of staffing, including staffing patterns and patient classification systems

106.28 that contribute to, or are insufficient to address, the risk of violence; and

106.29 (6) any reports of discrimination or abuse that arise from security resources, including

106.30 from the behavior of security personnel.

106.31 (b) As part of the annual update of preparedness and incident response action plans

106.32 required under subdivision 2, the hospital must incorporate corrective actions into the action

107.1 plan to address workplace violence hazards identified during the annual action plan review,
107.2 reports of workplace violence, reports of workplace violence hazards, and reports of
107.3 discrimination or abuse that arise from the security resources.

107.4 Subd. 13. **Action plan updates.** Following the annual review of the action plan, a hospital
107.5 must update the action plans to reflect the corrective actions the hospital will implement to
107.6 mitigate the hazards and vulnerabilities identified during the annual review.

107.7 Subd. 14. **Requests for additional staffing.** A hospital shall create and implement a
107.8 procedure for a health care worker to officially request of hospital supervisors or
107.9 administration that additional staffing be provided. The hospital must document all requests
107.10 for additional staffing made because of a health care worker's concern over a risk of an act
107.11 of violence. If the request for additional staffing to reduce the risk of violence is denied,
107.12 the hospital must provide the health care worker who made the request a written reason for
107.13 the denial and must maintain documentation of that communication with the documentation
107.14 of requests for additional staffing. A hospital must make documentation regarding staffing
107.15 requests available to the commissioner for inspection at the commissioner's request. The
107.16 commissioner may use documentation regarding staffing requests to inform the
107.17 commissioner's determination on whether the hospital is providing adequate staffing and
107.18 security to address acts of violence, and may use documentation regarding staffing requests
107.19 if the commissioner imposes a penalty under subdivision 18.

107.20 Subd. 15. **Disclosure of action plans.** ~~(e)~~ (a) A hospital shall must make its most recent
107.21 action plans and ~~the information listed in paragraph (d)~~ most recent action plan reviews
107.22 available to local law enforcement, all direct care staff and, if any of its workers are
107.23 represented by a collective bargaining unit, to the exclusive bargaining representatives of
107.24 those collective bargaining units.

107.25 (b) Beginning January 1, 2025, a hospital must annually submit to the commissioner its
107.26 most recent action plan and the results of the most recent annual review conducted under
107.27 subdivision 12.

107.28 Subd. 16. **Legislative report required.** (a) Beginning January 15, 2026, the commissioner
107.29 must compile the information into a single annual report and submit the report to the chairs
107.30 and ranking minority members of the legislative committees with jurisdiction over health
107.31 care by January 15 of each year.

107.32 (b) This subdivision does not expire.

107.33 Subd. 17. **Interference prohibited.** ~~(f)~~ A hospital, including any individual, partner,
107.34 association, or any person or group of persons acting directly or indirectly in the interest of

108.1 the hospital, ~~shall~~ must not interfere with or discourage a health care worker if the health
 108.2 care worker wishes to contact law enforcement or the commissioner regarding an act of
 108.3 violence.

108.4 Subd. 18. Penalties. (g) Notwithstanding section 144.653, subdivision 6, the
 108.5 commissioner may impose an administrative a fine of up to \$250 \$10,000 for failure to
 108.6 comply with the requirements of this subdivision section. The commissioner must allow
 108.7 the hospital at least 30 calendar days to correct a violation of this section before assessing
 108.8 a fine.

108.9 Sec. 7. Minnesota Statutes 2022, section 144.608, subdivision 1, is amended to read:

108.10 Subdivision 1. **Trauma Advisory Council established.** (a) A Trauma Advisory Council
 108.11 is established to advise, consult with, and make recommendations to the commissioner on
 108.12 the development, maintenance, and improvement of a statewide trauma system.

108.13 (b) The council shall consist of the following members:

108.14 (1) a trauma surgeon certified by the American Board of Surgery or the American
 108.15 Osteopathic Board of Surgery who practices in a level I or II trauma hospital;

108.16 (2) a general surgeon certified by the American Board of Surgery or the American
 108.17 Osteopathic Board of Surgery whose practice includes trauma and who practices in a
 108.18 designated rural area as defined under section 144.1501, subdivision 1, ~~paragraph (e);~~

108.19 (3) a neurosurgeon certified by the American Board of Neurological Surgery who
 108.20 practices in a level I or II trauma hospital;

108.21 (4) a trauma program nurse manager or coordinator practicing in a level I or II trauma
 108.22 hospital;

108.23 (5) an emergency physician certified by the American Board of Emergency Medicine
 108.24 or the American Osteopathic Board of Emergency Medicine whose practice includes
 108.25 emergency room care in a level I, II, III, or IV trauma hospital;

108.26 (6) a trauma program manager or coordinator who practices in a level III or IV trauma
 108.27 hospital;

108.28 (7) a physician certified by the American Board of Family Medicine or the American
 108.29 Osteopathic Board of Family Practice whose practice includes emergency department care
 108.30 in a level III or IV trauma hospital located in a designated rural area as defined under section
 108.31 144.1501, subdivision 1, ~~paragraph (e);~~

109.1 (8) a nurse practitioner, as defined under section 144.1501, subdivision 1, ~~paragraph (f)~~,
109.2 or a physician assistant, as defined under section 144.1501, subdivision 1, ~~paragraph (e)~~;
109.3 whose practice includes emergency room care in a level IV trauma hospital located in a
109.4 designated rural area as defined under section 144.1501, subdivision 1, ~~paragraph (e)~~;

109.5 (9) a physician certified in pediatric emergency medicine by the American Board of
109.6 Pediatrics or certified in pediatric emergency medicine by the American Board of Emergency
109.7 Medicine or certified by the American Osteopathic Board of Pediatrics whose practice
109.8 primarily includes emergency department medical care in a level I, II, III, or IV trauma
109.9 hospital, or a surgeon certified in pediatric surgery by the American Board of Surgery whose
109.10 practice involves the care of pediatric trauma patients in a trauma hospital;

109.11 (10) an orthopedic surgeon certified by the American Board of Orthopaedic Surgery or
109.12 the American Osteopathic Board of Orthopedic Surgery whose practice includes trauma
109.13 and who practices in a level I, II, or III trauma hospital;

109.14 (11) the state emergency medical services medical director appointed by the Emergency
109.15 Medical Services Regulatory Board;

109.16 (12) a hospital administrator of a level III or IV trauma hospital located in a designated
109.17 rural area as defined under section 144.1501, subdivision 1, ~~paragraph (e)~~;

109.18 (13) a rehabilitation specialist whose practice includes rehabilitation of patients with
109.19 major trauma injuries or traumatic brain injuries and spinal cord injuries as defined under
109.20 section 144.661;

109.21 (14) an attendant or ambulance director who is an EMT, EMT-I, or EMT-P within the
109.22 meaning of section 144E.001 and who actively practices with a licensed ambulance service
109.23 in a primary service area located in a designated rural area as defined under section 144.1501,
109.24 subdivision 1, ~~paragraph (e)~~; and

109.25 (15) the commissioner of public safety or the commissioner's designee.

109.26 Sec. 8. Minnesota Statutes 2022, section 144.653, subdivision 5, is amended to read:

109.27 Subd. 5. **Correction orders.** Whenever a duly authorized representative of the state
109.28 commissioner of health finds upon inspection of a facility required to be licensed under the
109.29 provisions of sections 144.50 to 144.58 that the licensee of such facility is not in compliance
109.30 with sections 144.411 to 144.417, 144.50 to 144.58, 144.651, 144.7051 to 144.7058, or
109.31 626.557, or the applicable rules promulgated under those sections, a correction order shall
109.32 be issued to the licensee. The correction order shall state the deficiency, cite the specific
109.33 rule violated, and specify the time allowed for correction.

110.1 **Sec. 9. [144.7051] DEFINITIONS.**

110.2 **Subdivision 1. Applicability.** For the purposes of sections 144.7051 to 144.7058, the
110.3 terms defined in this section have the meanings given.

110.4 **Subd. 2. Concern for safe staffing form.** "Concern for safe staffing form" means a
110.5 standard uniform form developed by the commissioner that may be used by any individual
110.6 to report unsafe staffing situations while maintaining the privacy of patients.

110.7 **Subd. 3. Commissioner.** "Commissioner" means the commissioner of health.

110.8 **Subd. 4. Daily staffing schedule.** "Daily staffing schedule" means the actual number
110.9 of full-time equivalent nonmanagerial care staff assigned to an inpatient care unit and
110.10 providing care in that unit during a 24-hour period and the actual number of patients assigned
110.11 to each direct care registered nurse present and providing care in the unit.

110.12 **Subd. 5. Direct-care registered nurse.** "Direct-care registered nurse" means a registered
110.13 nurse, as defined in section 148.171, subdivision 20, who is nonsupervisory and
110.14 nonmanagerial and who directly provides nursing care to patients more than 60 percent of
110.15 the time.

110.16 **Subd. 6. Hospital.** "Hospital" means any setting that is licensed under this chapter as a
110.17 hospital.

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

110.19 **Sec. 10. [144.7053] HOSPITAL NURSE STAFFING COMMITTEE.**

110.20 **Subdivision 1. Hospital nurse staffing committee required.** (a) Each hospital must
110.21 establish and maintain a functioning hospital nurse staffing committee. A hospital may
110.22 assign the functions and duties of a hospital nurse staffing committee to an existing committee
110.23 provided the existing committee meets the membership requirements applicable to a hospital
110.24 nurse staffing committee.

110.25 (b) The commissioner is not required to verify compliance with this section by an on-site
110.26 visit.

110.27 **Subd. 2. Staffing committee membership.** (a) At least 35 percent of the hospital nurse
110.28 staffing committee's membership must be direct care registered nurses typically assigned
110.29 to a specific unit for an entire shift and at least 15 percent of the committee's membership
110.30 must be other direct care workers typically assigned to a specific unit for an entire shift. A
110.31 hospital's nurse staffing committee's membership must consist of at least one nurse from
110.32 each unit covered by the hospital's core staffing plan. Direct care registered nurses and other

111.1 direct care workers who are members of a collective bargaining unit shall be appointed or
111.2 elected to the committee according to the guidelines of the applicable collective bargaining
111.3 agreement. If there is no collective bargaining agreement, direct care registered nurses shall
111.4 be elected to the committee by direct care registered nurses employed by the hospital and
111.5 other direct care workers shall be elected to the committee by other direct care workers
111.6 employed by the hospital.

111.7 (b) The hospital shall appoint 50 percent of the hospital nurse staffing committee's
111.8 membership.

111.9 Subd. 3. **Staffing committee compensation.** A hospital must treat participation in the
111.10 hospital nurse staffing committee meetings by any hospital employee as scheduled work
111.11 time and compensate each committee member at the employee's existing rate of pay. A
111.12 hospital must relieve all direct care registered nurse members of the hospital nurse staffing
111.13 committee of other work duties during the times when the committee meets.

111.14 Subd. 4. **Staffing committee meeting frequency.** Each hospital nurse staffing committee
111.15 must meet at least quarterly.

111.16 Subd. 5. **Staffing committee duties.** (a) Each hospital nurse staffing committee shall
111.17 create, implement, continuously evaluate, and update as needed evidence-based written
111.18 core staffing plans to guide the creation of daily staffing schedules for each inpatient care
111.19 unit of the hospital. Each hospital nurse staffing committee must adopt a core staffing plan
111.20 annually by a majority vote of all members.

111.21 (b) Each hospital nurse staffing committee must:

111.22 (1) establish a secure, uniform, and easily accessible method for any hospital employee,
111.23 patient, or patient family member to submit directly to the committee a concern for safe
111.24 staffing form;

111.25 (2) review each concern for safe staffing form;

111.26 (3) forward a copy of all concern for safe staffing forms to the relevant hospital nurse
111.27 workload committee;

111.28 (4) review the documentation of compliance maintained by the hospital under section
111.29 144.7056, subdivision 10;

111.30 (5) conduct a trend analysis of the data related to all reported concerns regarding safe
111.31 staffing;

111.32 (6) develop a mechanism for tracking and analyzing staffing trends within the hospital;

- 112.1 (7) submit a nurse staffing report to the commissioner;
- 112.2 (8) assist the commissioner in compiling data for the Nursing Workforce Report by
- 112.3 encouraging participation in the commissioner's independent study on reasons licensed
- 112.4 registered nurses are leaving the profession; and
- 112.5 (9) record in the committee minutes for each meeting a summary of the discussions and
- 112.6 recommendations of the committee. Each committee must maintain the minutes, records,
- 112.7 and distributed materials for five years.

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

112.9 Sec. 11. **[144.7054] HOSPITAL NURSE WORKLOAD COMMITTEE.**

112.10 **Subdivision 1. Hospital nurse workload committee required.** (a) Each hospital must

112.11 establish and maintain functioning hospital nurse workload committees for each unit. A

112.12 hospital designated as a critical access hospital under section 144.1483, clause (9), may

112.13 assign the functions and duties of its nurse workload committees to the hospital's nurse

112.14 staffing committee.

112.15 (b) The commissioner is not required to verify compliance with this section by an on-site

112.16 visit.

112.17 **Subd. 2. Workload committee membership.** (a) At least 35 percent of each workload

112.18 committee's membership must be direct care registered nurses typically assigned to the unit

112.19 for an entire shift and at least 15 percent of the committee's membership must be other direct

112.20 care workers typically assigned to the unit for an entire shift. Direct care registered nurses

112.21 and other direct care workers who are members of a collective bargaining unit shall be

112.22 appointed or elected to the committee according to the guidelines of the applicable collective

112.23 bargaining agreement. If there is no collective bargaining agreement, direct care registered

112.24 nurses shall be elected to the committee by direct care registered nurses typically assigned

112.25 to the unit for an entire shift and other direct care workers shall be elected to the committee

112.26 by other direct care workers typically assigned to the unit for an entire shift.

112.27 (b) The hospital shall appoint 50 percent of each unit's nurse workload committee's

112.28 membership.

112.29 (c) Notwithstanding paragraphs (a) and (b), if a hospital has established a staffing

112.30 committee through collective bargaining, the composition of that committee prevails.

112.31 **Subd. 3. Workload committee compensation.** A hospital must treat participation in a

112.32 hospital nurse workload committee meeting by any hospital employee as scheduled work

113.1 time and compensate each committee member at the employee's existing rate of pay. A
113.2 hospital must relieve all direct care registered nurse members of a hospital nurse workload
113.3 committee of other work duties during the times when the committee meets.

113.4 Subd. 4. **Workload committee meeting frequency.** Each hospital nurse workload
113.5 committee must meet at least monthly whenever the committee is in receipt of an unresolved
113.6 concern for safe staffing form.

113.7 Subd. 5. **Workload committee duties.** (a) Each hospital nurse workload committee
113.8 must create, implement, and maintain dispute resolution procedures to guide the committee's
113.9 development and implementation of solutions to the staffing concerns raised in concern for
113.10 safe staffing forms that have been forwarded to the committee. The dispute resolution
113.11 procedures must include a two-step process. If the nurse workforce committee is not able
113.12 to implement a solution to the concerns raised in a concern for safe staffing form, the
113.13 workload committee must refer the matter to the hospital nurse staffing committee within
113.14 15 calendar days of the events described in the concern for safe staffing form. If after both
113.15 the nurses and hospitals have attempted in good faith to resolve the concern either side may
113.16 move forward to an expedited arbitration process with an arbitrator who has expertise in
113.17 patient care that must be completed within 30 calendar days of the dispute being escalated
113.18 to the hospital nurse staffing committee.

113.19 (b) In the event both parties believe that they have reached an impasse prior to the 15-
113.20 or 30-day deadline, the parties may move to the next appropriate step. The committee must
113.21 use the expedited arbitration process for any complaint that remains unresolved 45 days
113.22 after the submission of the concern for safe staffing form that gave rise to the complaint.

113.23 (c) Each hospital nurse workload committee must attempt to expeditiously resolve
113.24 staffing issues the committee determines arise from a violation of the hospital's core staffing
113.25 plan.

113.26 (d) If the majority of the members of the workload committee agree that the concerns
113.27 raised can be reasonably grouped together or considered together because multiple forms
113.28 were submitted from one patient care unit on one date or shift, then the committee can
113.29 decide to submit them as one occurrence.

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

114.1 Sec. 12. Minnesota Statutes 2022, section 144.7055, is amended to read:

114.2 **144.7055 HOSPITAL CORE STAFFING PLAN REPORTS.**

114.3 Subdivision 1. **Definitions.** (a) For the purposes of ~~this section~~ sections 144.7051 to
114.4 144.7058, the following terms have the meanings given.

114.5 (b) "Core staffing plan" means ~~the projected number of full-time equivalent~~
114.6 ~~nonmanagerial care staff that will be assigned in a 24-hour period to an inpatient care unit~~
114.7 a plan described in subdivision 2.

114.8 (c) "Nonmanagerial care staff" means registered nurses, licensed practical nurses, and
114.9 other health care workers, which may include but is not limited to nursing assistants, nursing
114.10 aides, patient care technicians, and patient care assistants, who perform nonmanagerial
114.11 direct patient care functions for more than 50 percent of their scheduled hours on a given
114.12 patient care unit.

114.13 (d) "Inpatient care unit" or "unit" means a designated inpatient area for assigning patients
114.14 and staff for which a ~~distinct staffing plan~~ daily staffing schedule exists and that operates
114.15 24 hours per day, seven days per week in a hospital setting. Inpatient care unit does not
114.16 include any hospital-based clinic, long-term care facility, or outpatient hospital department.

114.17 (e) "Staffing hours per patient day" means the number of full-time equivalent
114.18 nonmanagerial care staff who will ordinarily be assigned to provide direct patient care
114.19 divided by the expected average number of patients upon which such assignments are based.

114.20 ~~(f) "Patient acuity tool" means a system for measuring an individual patient's need for~~
114.21 ~~nursing care. This includes utilizing a professional registered nursing assessment of patient~~
114.22 ~~condition to assess staffing need.~~

114.23 Subd. 2. **Hospital core staffing report plans.** (a) ~~The chief nursing executive or nursing~~
114.24 ~~designee~~ hospital nurse staffing committee of every ~~reporting~~ hospital in Minnesota under
114.25 ~~section 144.50 will~~ must develop a core staffing plan for each ~~patient~~ inpatient care unit.

114.26 (b) The commissioner is not required to verify compliance with this section by an on-site
114.27 visit.

114.28 ~~(b)~~ (c) Core staffing plans shall must specify all of the following:

114.29 (1) the projected number of full-time equivalent for nonmanagerial care staff that will
114.30 be assigned in a 24-hour period to each patient inpatient care unit for each 24-hour period.;

114.31 (2) the maximum number of patients on each inpatient care unit for whom a direct care
114.32 nurse can typically safely care;

115.1 (3) criteria for determining when circumstances exist on each inpatient care unit such
 115.2 that a direct care nurse cannot safely care for the typical number of patients and when
 115.3 assigning a lower number of patients to each nurse on the inpatient unit would be appropriate;

115.4 (4) a procedure for each inpatient care unit to make shift-to-shift adjustments in staffing
 115.5 levels when such adjustments are required by patient acuity and nursing intensity in the
 115.6 unit;

115.7 (5) a contingency plan for each inpatient unit to safely address circumstances in which
 115.8 patient care needs unexpectedly exceed the staffing resources provided for in a daily staffing
 115.9 schedule. A contingency plan must include a method to quickly identify, for each daily
 115.10 staffing schedule, additional direct care registered nurses who are available to provide direct
 115.11 care on the inpatient care unit;

115.12 (6) strategies to enable direct care registered nurses to take breaks they are entitled to
 115.13 under law or under an applicable collective bargaining agreement; and

115.14 (7) strategies to eliminate patient boarding in emergency departments that do not rely
 115.15 on requiring direct care registered nurses to work additional hours to provide care.

115.16 ~~(e)~~ (d) Core staffing plans must ensure that:

115.17 (1) the person creating a daily staffing schedule has sufficiently detailed information to
 115.18 create a daily staffing schedule that meets the requirements of the plan;

115.19 (2) daily staffing schedules do not rely on assigning individual nonmanagerial care staff
 115.20 to work overtime hours in excess of 16 hours in a 24-hour period or to work consecutive
 115.21 24-hour periods requiring 16 or more hours;

115.22 (3) a direct care registered nurse is not required or expected to perform functions outside
 115.23 the nurse's professional license;

115.24 (4) a light duty direct care registered nurse is given appropriate assignments;

115.25 (5) a charge nurse does not have patient assignments; and

115.26 (6) daily staffing schedules do not interfere with applicable collective bargaining
 115.27 agreements.

115.28 **Subd. 2a. Development of hospital core staffing plans.** (a) Prior to submitting
 115.29 completing or updating the core staffing plan, as required in subdivision 3, hospitals shall
 115.30 a hospital nurse staffing committee must consult with representatives of the hospital medical
 115.31 staff, managerial and nonmanagerial care staff, and other relevant hospital personnel about

116.1 the core staffing plan and the expected average number of patients upon which the core
116.2 staffing plan is based.

116.3 (b) When developing a core staffing plan, a hospital nurse staffing committee must
116.4 consider all of the following:

116.5 (1) the individual needs and expected census of each inpatient care unit;

116.6 (2) unit-specific patient acuity, including fall risk and behaviors requiring intervention,
116.7 such as physical aggression toward self or others or destruction of property;

116.8 (3) unit-specific demands on direct care registered nurses' time, including: frequency of
116.9 admissions, discharges, and transfers; frequency and complexity of patient evaluations and
116.10 assessments; frequency and complexity of nursing care planning; planning for patient
116.11 discharge; assessing for patient referral; patient education; and implementing infectious
116.12 disease protocols;

116.13 (4) the architecture and geography of the inpatient care unit, including the placement of
116.14 patient rooms, treatment areas, nursing stations, medication preparation areas, and equipment;

116.15 (5) mechanisms and procedures to provide for one-to-one patient observation for patients
116.16 on psychiatric or other units;

116.17 (6) the stress that direct-care nurses experience when required to work extreme amounts
116.18 of overtime, such as shifts in excess of 12 hours or multiple consecutive double shifts;

116.19 (7) the need for specialized equipment and technology on the unit;

116.20 (8) other special characteristics of the unit or community patient population, including
116.21 age, cultural and linguistic diversity and needs, functional ability, communication skills,
116.22 and other relevant social and socioeconomic factors;

116.23 (9) the skill mix of personnel other than direct care registered nurses providing or
116.24 supporting direct patient care on the unit;

116.25 (10) mechanisms and procedures for identifying additional registered nurses who are
116.26 available for direct patient care when patients' unexpected needs exceed the planned workload
116.27 for direct care staff; and

116.28 (11) demands on direct care registered nurses' time not directly related to providing
116.29 direct care on a unit, such as involvement in quality improvement activities, professional
116.30 development, service to the hospital, including serving on the hospital nurse staffing
116.31 committee or the hospital nurse workload committee, and service to the profession.

117.1 Subd. 2b. **Failure to develop hospital core staffing plans.** If a hospital nurse staffing
 117.2 committee cannot approve a hospital core staffing plan by a majority vote, the members of
 117.3 the nurse staffing committee must enter an expedited arbitration process with an arbitrator
 117.4 who understands patient care needs.

117.5 Subd. 2c. **Objections to hospital core staffing plans.** (a) If hospital management objects
 117.6 to a core staffing plan approved by a majority vote of the hospital nurse staffing committee,
 117.7 the hospital may elect to attempt to amend the core staffing plan through arbitration.

117.8 (b) During an ongoing dispute resolution process, a hospital must continue to implement
 117.9 the core staffing plan as written and approved by the hospital nurse staffing committee.

117.10 (c) If the dispute resolution process results in an amendment to the core staffing plan,
 117.11 the hospital must implement the amended core staffing plan.

117.12 Subd. 2d. **Mandatory submission of core staffing plan to commissioner.** Each hospital
 117.13 must submit to the commissioner the core staffing plans approved by the hospital's nurse
 117.14 staffing committee. A hospital must submit any substantial updates to any previously
 117.15 approved plan, including any amendments to the plan resulting from arbitration, within 30
 117.16 calendar days of approval of the update by the committee or the conclusion of arbitration.

117.17 Subd. 3. **Standard electronic reporting developed.** (a) Hospitals must submit the core
 117.18 staffing plans to the Minnesota Hospital Association by January 1, 2014. The Minnesota
 117.19 Hospital Association shall include each reporting hospital's core staffing plan on the
 117.20 Minnesota Hospital Association's Minnesota Hospital Quality Report website by April 1,
 117.21 2014. any substantial changes to the core staffing plan shall be updated within 30 days.

117.22 (b) The Minnesota Hospital Association shall include on its website for each reporting
 117.23 hospital on a quarterly basis the actual direct patient care hours per patient and per unit.
 117.24 Hospitals must submit the direct patient care report to the Minnesota Hospital Association
 117.25 by July 1, 2014, and quarterly thereafter.

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

117.27 Sec. 13. **[144.7056] IMPLEMENTATION OF HOSPITAL CORE STAFFING PLANS.**

117.28 Subdivision 1. **Plan implementation required.** (a) A hospital must implement the core
 117.29 staffing plans approved annually by a majority vote of its hospital nurse staffing committee.
 117.30 Nothing in sections 144.7051 to 144.7058 relieves the chief nursing executive of a hospital
 117.31 from fulfilling the chief nursing executive's duties under Code of Federal Regulations, title
 117.32 42, section 482.23. If at any time the chief nursing executive believes the types and numbers
 117.33 of nursing personnel and staff required under the hospital's core staffing plan are insufficient

118.1 to provide nursing care for a unit in the hospital, the chief nursing executive may increase
118.2 the staffing on that unit beyond the levels required by the plan.

118.3 (b) The commissioner is required to verify compliance with this section by on-site visits
118.4 during routine hospital surveys.

118.5 Subd. 2. **Public posting of core staffing plans.** A hospital must post its core staffing
118.6 plan for each inpatient care unit in a public area on the relevant unit.

118.7 Subd. 3. **Public posting of compliance with plan.** For each publicly posted core staffing
118.8 plan, a hospital must post a notice stating whether the current staffing on the unit complies
118.9 with the hospital's core staffing plan for that unit. The public notice of compliance must
118.10 include a list of the number of nonmanagerial care staff working on the unit during the
118.11 current shift and the number of patients assigned to each direct care registered nurse working
118.12 on the unit during the current shift. The list must enumerate the nonmanagerial care staff
118.13 by health care worker type. The public notice of compliance must be posted immediately
118.14 adjacent to the publicly posted core staffing plan.

118.15 Subd. 4. **Posting of compliance in patient rooms.** A hospital must post on a whiteboard
118.16 in a patient's room or make available through a television in a patient's room both the number
118.17 of patients a nurse on the patient's unit should be assigned under the relevant core staffing
118.18 plan and the number of patients actually assigned to a nurse during the current shift.

118.19 Subd. 5. **Public posting of emergency department wait times.** A hospital must maintain
118.20 on its website and publicly display in its emergency department the approximate wait time
118.21 for patients who are not in critical need of emergency care. The approximate wait time must
118.22 be updated at least hourly.

118.23 Subd. 6. **Disclosure of staffing plan upon admission.** A hospital must provide an
118.24 explanation of its core staffing plan to each patient upon admission.

118.25 Subd. 7. **Public distribution of core staffing plan and notice of compliance.** (a) A
118.26 hospital must include with the posted materials described in subdivisions 2 and 3 a statement
118.27 that individual copies of the posted materials are available upon request to any patient on
118.28 the unit or to any visitor of a patient on the unit. The statement must include specific
118.29 instructions for obtaining copies of the posted materials.

118.30 (b) A hospital must, within four hours after the request, provide individual copies of all
118.31 the posted materials described in subdivisions 2 and 3 to any patient on the unit or to any
118.32 visitor of a patient on the unit who requests the materials.

119.1 Subd. 8. Reporting noncompliance. (a) Any hospital employee, patient, or patient
119.2 family member may submit a concern for safe staffing form to report an instance of
119.3 noncompliance with a hospital's core staffing plan, to object to the contents of a core staffing
119.4 plan, or to challenge the process of the hospital nurse staffing committee.

119.5 (b) A hospital must not interfere with or retaliate against a hospital employee for
119.6 submitting a concern for safe staffing form.

119.7 (c) The commissioner of labor and industry may investigate any report of interference
119.8 with or retaliation against a hospital employee for submitting a concern for safe staffing
119.9 form. The commissioner of labor and industry may fine a hospital up to \$250,000 if the
119.10 commissioner finds the hospital interfered with or retaliated against a hospital employee
119.11 for submitting a concern for safe staffing form.

119.12 Subd. 9. Documentation of compliance. Each hospital must document compliance with
119.13 its core nursing plans and maintain records demonstrating compliance for each inpatient
119.14 care unit for five years. Each hospital must provide to its nurse staffing committee access
119.15 to all documentation required under this subdivision.

119.16 **EFFECTIVE DATE.** This section is effective October 1, 2025.

119.17 Sec. 14. [144.7057] HOSPITAL NURSE STAFFING REPORTS.

119.18 Subdivision 1. Nurse staffing report required. Each hospital nurse staffing committee
119.19 must submit quarterly nurse staffing reports to the commissioner. Reports must be submitted
119.20 within 60 days of the end of the quarter.

119.21 Subd. 2. Nurse staffing report. Nurse staffing reports submitted to the commissioner
119.22 by a hospital nurse staffing committee must:

119.23 (1) identify any suspected incidents of the hospital failing during the reporting quarter
119.24 to meet the standards of one of its core staffing plans;

119.25 (2) identify each occurrence of the hospital accepting an elective surgery at a time when
119.26 the unit performing the surgery is out of compliance with its core staffing plan;

119.27 (3) identify problems of insufficient staffing, including but not limited to:

119.28 (i) inappropriate number of direct care registered nurses scheduled in a unit;

119.29 (ii) inappropriate number of direct care registered nurses present and delivering care in
119.30 a unit;

120.1 (iii) inappropriately experienced direct care registered nurses scheduled for a particular
120.2 unit;

120.3 (iv) inappropriately experienced direct care registered nurses present and delivering care
120.4 in a unit;

120.5 (v) inability for nurse supervisors to adjust daily nursing schedules for increased patient
120.6 acuity or nursing intensity in a unit; and

120.7 (vi) chronically unfilled direct care positions within the hospital;

120.8 (4) identify any units that pose a risk to patient safety due to inadequate staffing;

120.9 (5) propose solutions to solve insufficient staffing;

120.10 (6) propose solutions to reduce risks to patient safety in inadequately staffed units; and

120.11 (7) describe staffing trends within the hospital.

120.12 Subd. 3. **Public posting of nurse staffing reports.** The commissioner must include on
120.13 its website each quarterly nurse staffing report submitted to the commissioner under
120.14 subdivision 1.

120.15 Subd. 4. **Standardized reporting.** The commissioner shall develop and provide to each
120.16 hospital nurse staffing committee a uniform format or standard form the committee must
120.17 use to comply with the nurse staffing reporting requirements under this section. The format
120.18 or form developed by the commissioner must present the reported information in a manner
120.19 allowing patients and the public to clearly understand and compare staffing patterns and
120.20 actual levels of staffing across reporting hospitals. The commissioner must include, in the
120.21 uniform format or on the standardized form, space to allow the reporting hospital to include
120.22 a description of additional resources available to support unit-level patient care and a
120.23 description of the hospital.

120.24 Subd. 5. **Penalties.** Notwithstanding section 144.653, subdivisions 5 and 6, the
120.25 commissioner may impose an immediate fine of up to \$5,000 for each instance of a failure
120.26 to report an elective surgery requiring reporting under subdivision 2, clause (2). The facility
120.27 may request a hearing on the immediate fine under section 144.653, subdivision 8.

120.28 **EFFECTIVE DATE.** This section is effective October 1, 2025.

120.29 Sec. 15. **[144.7058] GRADING OF COMPLIANCE WITH CORE STAFFING PLANS.**

120.30 Subdivision 1. **Grading compliance with core staffing plans.** By January 1, 2026, the
120.31 commissioner must develop a uniform annual grading system that evaluates each hospital's

121.1 compliance with its own core staffing plan. The commissioner must assign each hospital a
 121.2 compliance grade based on a review of the hospital's nurse staffing report submitted under
 121.3 section 144.7057. The commissioner must assign a failing compliance grade to any hospital
 121.4 that has not been in compliance with its staffing plan for six or more months during the
 121.5 reporting year.

121.6 Subd. 2. **Grading factors.** When grading a hospital's compliance with its core staffing
 121.7 plan, the commissioner must consider at least the following factors:

121.8 (1) the number of assaults and injuries occurring in the hospital involving patients;

121.9 (2) the prevalence of infections, pressure ulcers, and falls among patients;

121.10 (3) emergency department wait times;

121.11 (4) readmissions;

121.12 (5) use of restraints and other behavior interventions;

121.13 (6) employment turnover rates among direct care registered nurses and other direct care
 121.14 health care workers;

121.15 (7) except in instances when nurses volunteer for overtime, prevalence of overtime
 121.16 among direct care registered nurses and other direct care health care workers;

121.17 (8) prevalence of missed shift breaks among direct care registered nurses and other direct
 121.18 care health care workers;

121.19 (9) frequency of incidents of being out of compliance with a core staffing plan; and

121.20 (10) the extent of noncompliance with a core staffing plan.

121.21 Subd. 3. **Public disclosure of compliance grades.** Beginning January 1, 2027, the
 121.22 commissioner must publish a compliance grade for each hospital on the department website
 121.23 with a link to the hospital's core staffing plan, the hospital's nurse staffing reports, and an
 121.24 accessible and easily understandable explanation of what the compliance grade means.

121.25 **EFFECTIVE DATE.** This section is effective January 1, 2026.

121.26 Sec. 16. **[144.7059] RETALIATION AGAINST NURSES PROHIBITED.**

121.27 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
 121.28 the meanings given.

121.29 (b) "Emergency" means a period when replacement staff are not able to report for duty
 121.30 for the next shift, or a period of increased patient need, because of unusual, unpredictable,

122.1 or unforeseen circumstances, including but not limited to an act of terrorism, a disease
122.2 outbreak, adverse weather conditions, or a natural disaster, that impacts continuity of patient
122.3 care.

122.4 (c) "Nurse" has the meaning given in section 148.171, subdivision 9, and includes nurses
122.5 employed by the state.

122.6 (d) "Taking action against" means discharging, disciplining, threatening, reporting to
122.7 the Board of Nursing, discriminating against, or penalizing regarding compensation, terms,
122.8 conditions, location, or privileges of employment.

122.9 Subd. 2. **Prohibited actions.** Except as provided in subdivision 5, a hospital or other
122.10 entity licensed under sections 144.50 to 144.58, and its agent, or other health care facility
122.11 licensed by the commissioner of health, and the facility's agent, is prohibited from taking
122.12 action against a nurse solely on the ground that the nurse fails to accept an assignment of
122.13 one or more additional patients because the nurse determines that accepting an additional
122.14 patient assignment, in the nurse's judgment, may create an unnecessary danger to a patient's
122.15 life, health, or safety or may otherwise constitute a ground for disciplinary action under
122.16 section 148.261. This subdivision does not apply to a nursing facility, an intermediate care
122.17 facility for persons with developmental disabilities, or a licensed boarding care home.

122.18 Subd. 3. **State nurses.** Subdivision 2 applies to nurses employed by the state regardless
122.19 of the type of facility where the nurse is employed and regardless of the facility's license,
122.20 if the nurse is involved in resident or patient care.

122.21 Subd. 4. **Collective bargaining rights.** This section does not diminish or impair the
122.22 rights of a person under any collective bargaining agreement.

122.23 Subd. 5. **Emergency.** A nurse may be required to accept an additional patient assignment
122.24 in an emergency.

122.25 Subd. 6. **Enforcement.** The commissioner of labor and industry shall enforce this section.
122.26 The commissioner of labor and industry may assess a fine of up to \$5,000 for each violation
122.27 of this section.

122.28 Sec. 17. Minnesota Statutes 2022, section 144.7067, subdivision 1, is amended to read:

122.29 Subdivision 1. **Establishment of reporting system.** (a) The commissioner shall establish
122.30 an adverse health event reporting system designed to facilitate quality improvement in the
122.31 health care system. The reporting system shall not be designed to punish errors by health
122.32 care practitioners or health care facility employees.

- 123.1 (b) The reporting system shall consist of:
- 123.2 (1) mandatory reporting by facilities of 27 adverse health care events;
- 123.3 (2) mandatory reporting by facilities of whether the unit where an adverse event occurred
- 123.4 was in compliance with the core staffing plan for the unit at the time of the adverse event;
- 123.5 (3) mandatory completion of a root cause analysis and a corrective action plan by the
- 123.6 facility and reporting of the findings of the analysis and the plan to the commissioner or
- 123.7 reporting of reasons for not taking corrective action;
- 123.8 ~~(3)~~ (4) analysis of reported information by the commissioner to determine patterns of
- 123.9 systemic failure in the health care system and successful methods to correct these failures;
- 123.10 ~~(4)~~ (5) sanctions against facilities for failure to comply with reporting system
- 123.11 requirements; and
- 123.12 ~~(5)~~ (6) communication from the commissioner to facilities, health care purchasers, and
- 123.13 the public to maximize the use of the reporting system to improve health care quality.
- 123.14 (c) The commissioner is not authorized to select from or between competing alternate
- 123.15 acceptable medical practices.

123.16 **EFFECTIVE DATE.** This section is effective October 1, 2025.

123.17 Sec. 18. Minnesota Statutes 2022, section 147A.08, is amended to read:

123.18 **147A.08 EXEMPTIONS.**

- 123.19 (a) This chapter does not apply to, control, prevent, or restrict the practice, service, or
- 123.20 activities of persons listed in section 147.09, clauses (1) to (6) and (8) to (13);² persons
- 123.21 regulated under section 214.01, subdivision 2;² or ~~persons~~ midlevel practitioners, nurses,
- 123.22 or nurse-midwives as defined in section 144.1501, subdivision 1, ~~paragraphs (i), (k), and~~
- 123.23 ~~(l).~~

123.24 (b) Nothing in this chapter shall be construed to require licensure of:

- 123.25 (1) a physician assistant student enrolled in a physician assistant educational program
- 123.26 accredited by the Accreditation Review Commission on Education for the Physician Assistant
- 123.27 or by its successor agency approved by the board;
- 123.28 (2) a physician assistant employed in the service of the federal government while
- 123.29 performing duties incident to that employment; or
- 123.30 (3) technicians, other assistants, or employees of physicians who perform delegated
- 123.31 tasks in the office of a physician but who do not identify themselves as a physician assistant.

124.1 **Sec. 19. BEST PRACTICES TOOLKIT DEVELOPMENT.**

124.2 The commissioner of health must convene a stakeholder group that will meet for six
124.3 months to develop a toolkit with best practices for implementation of workload committee
124.4 and hospital staffing committees. The toolkit and best practices must include a
124.5 recommendation that each hospital utilize a federal mediator or the Office of Collaboration
124.6 and Dispute Resolution to moderate the establishment of committees in each hospital. The
124.7 commissioner must make the toolkit with the recommended best practices available to
124.8 hospitals by July 1, 2024.

124.9 **Sec. 20. DIRECTION TO COMMISSIONER OF HEALTH; DEVELOPMENT OF**
124.10 **ANALYTICAL TOOLS.**

124.11 (a) The commissioner of health, in consultation with the Minnesota Nurses Association
124.12 and other professional nursing organizations, must develop a means of analyzing available
124.13 adverse event data, available staffing data, and available data from concern for safe staffing
124.14 forms to examine potential causal links between adverse events and understaffing.

124.15 (b) The commissioner must develop an initial means of conducting the analysis described
124.16 in paragraph (a) by January 1, 2025, and publish a public report on the commissioner's
124.17 initial findings by January 1, 2026.

124.18 (c) By January 1, 2024, the commissioner must submit to the chairs and ranking minority
124.19 members of the house and senate committees with jurisdiction over the regulation of hospitals
124.20 a report on the available data, potential sources of additional useful data, and any additional
124.21 statutory authority the commissioner requires to collect additional useful information from
124.22 hospitals.

124.23 **EFFECTIVE DATE.** This section is effective August 1, 2023.

124.24 **Sec. 21. DIRECTION TO COMMISSIONER OF HEALTH; NURSING**
124.25 **WORKFORCE REPORT.**

124.26 (a) The commissioner of health must publish a public report on the current status of the
124.27 state's nursing workforce employed by hospitals. In preparing the report, the commissioner
124.28 shall utilize information collected in collaboration with the Board of Nursing as directed
124.29 under Minnesota Statutes, sections 144.051 and 144.052, on Minnesota's supply of active
124.30 licensed nurses and reasons licensed nurses are leaving direct care positions at hospitals;
124.31 information collected and shared by the Minnesota Hospital Association on retention by
124.32 hospitals of licensed nurses; information collected through an independent study on reasons

125.1 licensed nurses are choosing not to renew their licenses and leaving the profession; and
 125.2 other publicly available data the commissioner deems useful.

125.3 (b) The commissioner must publish the report by January 1, 2026.

125.4 Sec. 22. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES.**

125.5 The commissioner of human services must define as a direct educational expense the
 125.6 reasonable child care costs incurred by a nursing facility employee scholarship recipient
 125.7 while the recipient is receiving a wage from the scholarship sponsoring facility, provided
 125.8 the scholarship recipient is making reasonable progress, as defined by the commissioner,
 125.9 toward the educational goal for which the scholarship was granted.

125.10 Sec. 23. **INITIAL IMPLEMENTATION OF THE KEEPING NURSES AT THE**
 125.11 **BEDSIDE ACT.**

125.12 (a) By October 1, 2024, each hospital must establish and convene a hospital nurse staffing
 125.13 committee as described under Minnesota Statutes, section 144.7053, and a hospital nurse
 125.14 workload committee as described under Minnesota Statutes, section 144.7054.

125.15 (b) By October 1, 2025, each hospital must implement core staffing plans developed by
 125.16 its hospital nurse staffing committee and satisfy the plan posting requirements under
 125.17 Minnesota Statutes, section 144.7056.

125.18 (c) By October 1, 2025, each hospital must submit to the commissioner of health core
 125.19 staffing plans meeting the requirements of Minnesota Statutes, section 144.7055.

125.20 (d) By October 1, 2025, the commissioner of health must develop a standard concern
 125.21 for safe staffing form and provide an electronic means of submitting the form to the relevant
 125.22 hospital nurse staffing committee. The commissioner must base the form on the existing
 125.23 concern for safe staffing form maintained by the Minnesota Nurses' Association.

125.24 (e) By January 1, 2026, the commissioner of health must provide electronic access to
 125.25 the uniform format or standard form for nurse staffing reporting described under Minnesota
 125.26 Statutes, section 144.7057, subdivision 4.

125.27 Sec. 24. **REVISOR INSTRUCTION.**

125.28 In Minnesota Statutes, section 144.7055, the revisor shall renumber paragraphs (b) to
 125.29 (e) alphabetically as individual subdivisions under Minnesota Statutes, section 144.7051.
 125.30 The revisor shall make any necessary changes to sentence structure for this renumbering
 125.31 while preserving the meaning of the text. The revisor shall also make necessary

126.1 cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the
126.2 renumbering.

126.3 **ARTICLE 4**

126.4 **DEPARTMENT OF HEALTH**

126.5 Section 1. Minnesota Statutes 2022, section 13.10, subdivision 5, is amended to read:

126.6 Subd. 5. **Adoption records.** Notwithstanding any provision of this or any other chapter,
126.7 adoption records shall be treated as provided in sections 259.53, 259.61, 259.79, and 259.83
126.8 to ~~259.89~~ 259.88.

126.9 **EFFECTIVE DATE.** This section is effective July 1, 2024.

126.10 Sec. 2. Minnesota Statutes 2022, section 13.465, subdivision 8, is amended to read:

126.11 Subd. 8. **Adoption records.** Various adoption records are classified under section 259.53,
126.12 subdivision 1. Access to the original birth record of a person who has been adopted is
126.13 governed by section ~~259.89~~ 144.2252.

126.14 **EFFECTIVE DATE.** This section is effective July 1, 2024.

126.15 Sec. 3. Minnesota Statutes 2022, section 16A.151, subdivision 2, is amended to read:

126.16 Subd. 2. **Exceptions.** (a) If a state official litigates or settles a matter on behalf of specific
126.17 injured persons or entities, this section does not prohibit distribution of money to the specific
126.18 injured persons or entities on whose behalf the litigation or settlement efforts were initiated.
126.19 If money recovered on behalf of injured persons or entities cannot reasonably be distributed
126.20 to those persons or entities because they cannot readily be located or identified or because
126.21 the cost of distributing the money would outweigh the benefit to the persons or entities, the
126.22 money must be paid into the general fund.

126.23 (b) Money recovered on behalf of a fund in the state treasury other than the general fund
126.24 may be deposited in that fund.

126.25 (c) This section does not prohibit a state official from distributing money to a person or
126.26 entity other than the state in litigation or potential litigation in which the state is a defendant
126.27 or potential defendant.

126.28 (d) State agencies may accept funds as directed by a federal court for any restitution or
126.29 monetary penalty under United States Code, title 18, section 3663(a)(3), or United States
126.30 Code, title 18, section 3663A(a)(3). Funds received must be deposited in a special revenue

127.1 account and are appropriated to the commissioner of the agency for the purpose as directed
127.2 by the federal court.

127.3 (e) Tobacco settlement revenues as defined in section 16A.98, subdivision 1, paragraph
127.4 (t), may be deposited as provided in section 16A.98, subdivision 12.

127.5 (f) Any money received by the state resulting from a settlement agreement or an assurance
127.6 of discontinuance entered into by the attorney general of the state, or a court order in litigation
127.7 brought by the attorney general of the state, on behalf of the state or a state agency, related
127.8 to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids
127.9 in this state or other alleged illegal actions that contributed to the excessive use of opioids,
127.10 must be deposited in the settlement account established in the opiate epidemic response
127.11 fund under section 256.043, subdivision 1. This paragraph does not apply to attorney fees
127.12 and costs awarded to the state or the Attorney General's Office, to contract attorneys hired
127.13 by the state or Attorney General's Office, or to other state agency attorneys.

127.14 (g) Notwithstanding paragraph (f), if money is received from a settlement agreement or
127.15 an assurance of discontinuance entered into by the attorney general of the state or a court
127.16 order in litigation brought by the attorney general of the state on behalf of the state or a state
127.17 agency against a consulting firm working for an opioid manufacturer or opioid wholesale
127.18 drug distributor, the commissioner shall deposit any money received into the settlement
127.19 account established within the opiate epidemic response fund under section 256.042,
127.20 subdivision 1. Notwithstanding section 256.043, subdivision 3a, paragraph (a), any amount
127.21 deposited into the settlement account in accordance with this paragraph shall be appropriated
127.22 to the commissioner of human services to award as grants as specified by the opiate epidemic
127.23 response advisory council in accordance with section 256.043, subdivision 3a, paragraph
127.24 (d).

127.25 (h) Any money received by the state resulting from a settlement agreement or an assurance
127.26 of discontinuance entered into by the attorney general of the state, or a court order in litigation
127.27 brought by the attorney general of the state on behalf of the state or a state agency related
127.28 to alleged violations of consumer fraud laws in the marketing, sale, or distribution of
127.29 electronic nicotine delivery systems in this state or other alleged illegal actions that
127.30 contributed to the exacerbation of youth nicotine use, must be deposited in the settlement
127.31 account established in the tobacco use prevention account under section 144.398. This
127.32 paragraph does not apply to: (1) attorney fees and costs awarded or paid to the state or the
127.33 Attorney General's Office; (2) contract attorneys hired by the state or Attorney General's
127.34 Office; or (3) other state agency attorneys.

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

128.2 Sec. 4. **[62J.811] PROVIDER BALANCE BILLING REQUIREMENTS.**

128.3 Subdivision 1. **Billing requirements.** (a) Each health care provider and health facility
128.4 shall comply with Consolidated Appropriations Act, 2021, Division BB also known as the
128.5 "No Surprises Act," including any federal regulations adopted under that act.

128.6 (b) For the purposes of this section, "provider" or "facility" means any health care
128.7 provider or facility pursuant to section 62A.63, subdivision 2, or 62J.03, subdivision 8, that
128.8 is subject to relevant provisions of the No Surprises Act.

128.9 Subd. 2. **Investigations and compliance.** (a) The commissioner shall, to the extent
128.10 practicable, seek the cooperation of health care providers and facilities, and may provide
128.11 any support and assistance as available, in obtaining compliance with this section.

128.12 (b) The commissioner shall determine the manner and processes for fulfilling any
128.13 responsibilities and taking any of the actions in paragraphs (c) to (f).

128.14 (c) A person who believes a health care provider or facility has not complied with the
128.15 requirements of the No Surprises Act or this section may file a complaint with the
128.16 commissioner in the manner determined by the commissioner.

128.17 (d) The commissioner shall conduct compliance reviews and investigate complaints
128.18 filed under this section in the manner determined by the commissioner to ascertain whether
128.19 health care providers and facilities are complying with this section.

128.20 (e) The commissioner may report violations under this section to other relevant federal
128.21 and state departments and jurisdictions as appropriate, including the attorney general and
128.22 relevant licensing boards, and may also coordinate on investigations and enforcement of
128.23 this section with other relevant federal and state departments and jurisdictions as appropriate,
128.24 including the attorney general and relevant licensing boards.

128.25 (f) A health care provider or facility may contest whether the finding of facts constitute
128.26 a violation of this section according to the contested case proceeding in sections 14.57 to
128.27 14.62, subject to appeal according to sections 14.63 to 14.68.

128.28 (g) Any data collected by the commissioner as part of an active investigation or active
128.29 compliance review under this section are classified as protected nonpublic data pursuant to
128.30 section 13.02, subdivision 13, in the case of data not on individuals and confidential pursuant
128.31 to section 13.02, subdivision 3, in the case of data on individuals. Data describing the final
128.32 disposition of an investigation or compliance review are classified as public.

129.1 Subd. 3. **Civil penalty.** (a) The commissioner, in monitoring and enforcing this section,
129.2 may levy a civil monetary penalty against each health care provider or facility found to be
129.3 in violation of up to \$100 for each violation, but may not exceed \$25,000 for identical
129.4 violations during a calendar year.

129.5 (b) No civil monetary penalty shall be imposed under this section for violations that
129.6 occur prior to January 1, 2024.

129.7 Sec. 5. Minnesota Statutes 2022, section 62J.84, subdivision 2, is amended to read:

129.8 Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision
129.9 have the meanings given.

129.10 (b) "Biosimilar" means a drug that is produced or distributed pursuant to a biologics
129.11 license application approved under United States Code, title 42, section 262(K)(3).

129.12 (c) "Brand name drug" means a drug that is produced or distributed pursuant to:

129.13 (1) ~~an original,~~ a new drug application approved under United States Code, title 21,
129.14 section 355(c), except for a generic drug as defined under Code of Federal Regulations,
129.15 title 42, section 447.502; or

129.16 (2) a biologics license application approved under United States Code, title ~~45~~42, section
129.17 262(a)(c).

129.18 (d) "Commissioner" means the commissioner of health.

129.19 (e) "Generic drug" means a drug that is marketed or distributed pursuant to:

129.20 (1) an abbreviated new drug application approved under United States Code, title 21,
129.21 section 355(j);

129.22 (2) an authorized generic as defined under Code of Federal Regulations, title ~~45~~42,
129.23 section 447.502; or

129.24 (3) a drug that entered the market the year before 1962 and was not originally marketed
129.25 under a new drug application.

129.26 (f) "Manufacturer" means a drug manufacturer licensed under section 151.252.

129.27 (g) "New prescription drug" or "new drug" means a prescription drug approved for
129.28 marketing by the United States Food and Drug Administration (FDA) for which no previous
129.29 wholesale acquisition cost has been established for comparison.

129.30 (h) "Patient assistance program" means a program that a manufacturer offers to the public
129.31 in which a consumer may reduce the consumer's out-of-pocket costs for prescription drugs

130.1 by using coupons, discount cards, prepaid gift cards, manufacturer debit cards, or by other
130.2 means.

130.3 (i) "Prescription drug" or "drug" has the meaning provided in section 151.441, subdivision
130.4 8.

130.5 (j) "Price" means the wholesale acquisition cost as defined in United States Code, title
130.6 42, section 1395w-3a(c)(6)(B).

130.7 (k) "30-day supply" means the total daily dosage units of a prescription drug
130.8 recommended by the prescribing label approved by the FDA for 30 days. If the
130.9 FDA-approved prescribing label includes more than one recommended daily dosage, the
130.10 30-day supply is based on the maximum recommended daily dosage on the FDA-approved
130.11 prescribing label.

130.12 (l) "Course of treatment" means the total dosage of a single prescription for a prescription
130.13 drug recommended by the FDA-approved prescribing label. If the FDA-approved prescribing
130.14 label includes more than one recommended dosage for a single course of treatment, the
130.15 course of treatment is the maximum recommended dosage on the FDA-approved prescribing
130.16 label.

130.17 (m) "Drug product family" means a group of one or more prescription drugs that share
130.18 a unique generic drug description or nontrade name and dosage form.

130.19 (n) "National drug code" means the three-segment code maintained by the federal Food
130.20 and Drug Administration that includes a labeler code, a product code, and a package code
130.21 for a drug product and that has been converted to an 11-digit format consisting of five digits
130.22 in the first segment, four digits in the second segment, and two digits in the third segment.
130.23 A three-segment code shall be considered converted to an 11-digit format when, as necessary,
130.24 at least one "0" has been added to the front of each segment containing less than the specified
130.25 number of digits such that each segment contains the specified number of digits.

130.26 (o) "Pharmacy" or "pharmacy provider" means a place of business licensed by the Board
130.27 of Pharmacy under section 151.19 in which prescription drugs are prepared, compounded,
130.28 or dispensed under the supervision of a pharmacist.

130.29 (p) "Pharmacy benefits manager" or "PBM" means an entity licensed to act as a pharmacy
130.30 benefits manager under section 62W.03.

130.31 (q) "Pricing unit" means the smallest dispensable amount of a prescription drug product
130.32 that could be dispensed.

131.1 (r) "Reporting entity" means any manufacturer, pharmacy, pharmacy benefits manager,
 131.2 wholesale drug distributor, or any other entity required to submit data under section 62J.84.

131.3 (s) "Wholesale drug distributor" or "wholesaler" means an entity that:

131.4 (1) is licensed to act as a wholesale drug distributor under section 151.47; and

131.5 (2) distributes prescription drugs, of which it is not the manufacturer, to persons or
 131.6 entities, or both, other than a consumer or patient in the state.

131.7 Sec. 6. Minnesota Statutes 2022, section 103I.005, subdivision 17a, is amended to read:

131.8 Subd. 17a. ~~Temporary boring~~ **Submerged closed-loop heat exchanger.** ~~"Temporary~~
 131.9 ~~boring"~~ "Submerged closed-loop heat exchanger" means an excavation that is 15 feet or
 131.10 more in depth, is sealed within 72 hours of the time of construction, and is drilled, cored,
 131.11 washed, driven, dug, jetted, or otherwise constructed to a heating and cooling system that:

131.12 (1) conduct physical, chemical, or biological testing of groundwater, including
 131.13 groundwater quality monitoring is installed in a water supply well;

131.14 (2) monitor or measure physical, chemical, radiological, or biological parameters of
 131.15 earth materials or earth fluids, including hydraulic conductivity, bearing capacity, or
 131.16 resistance utilizes the convective flow of groundwater as the primary medium of heat
 131.17 exchange;

131.18 (3) measure groundwater levels, including use of a piezometer contains potable water
 131.19 as the heat transfer fluid; and

131.20 (4) determine groundwater flow direction or velocity is operated using nonconsumptive
 131.21 recirculation.

131.22 A submerged closed-loop heat exchanger also includes submersible pumps, a heat exchanger
 131.23 device, piping, and other necessary appurtenances.

131.24 Sec. 7. Minnesota Statutes 2022, section 103I.005, is amended by adding a subdivision
 131.25 to read:

131.26 Subd. 17b. **Temporary boring.** "Temporary boring" means an excavation that is 15
 131.27 feet or more in depth; is sealed within 72 hours of the time of construction; and is drilled,
 131.28 cored, washed, driven, dug, jetted, or otherwise constructed to:

131.29 (1) conduct physical, chemical, or biological testing of groundwater, including
 131.30 groundwater quality monitoring;

132.1 (2) monitor or measure physical, chemical, radiological, or biological parameters of
 132.2 earth materials or earth fluids, including hydraulic conductivity, bearing capacity, or
 132.3 resistance;

132.4 (3) measure groundwater levels, including use of a piezometer; and

132.5 (4) determine groundwater flow direction or velocity.

132.6 Sec. 8. Minnesota Statutes 2022, section 103I.005, subdivision 20a, is amended to read:

132.7 Subd. 20a. **Water supply well.** "Water supply well" means a well that is not a dewatering
 132.8 well or environmental well and includes wells used:

132.9 (1) for potable water supply;

132.10 (2) for irrigation;

132.11 (3) for agricultural, commercial, or industrial water supply;

132.12 (4) for heating or cooling; ~~and~~

132.13 (5) for containing a submerged closed-loop heat exchanger; and

132.14 (6) for testing water yield for irrigation, commercial or industrial uses, residential supply,
 132.15 or public water supply.

132.16 Sec. 9. **[103I.631] INSTALLATION OF A SUBMERGED CLOSED-LOOP HEAT**
 132.17 **EXCHANGER.**

132.18 Subdivision 1. **Installation.** Notwithstanding any other provision of law, the
 132.19 commissioner must allow the installation of a submerged closed-loop heat exchanger in a
 132.20 water supply well. A project may consist of more than one water supply well on a particular
 132.21 site.

132.22 Subd. 2. **Setbacks.** Water supply wells used only for the nonpotable purpose of providing
 132.23 heating and cooling using a submerged closed-loop heat exchanger are exempt from isolation
 132.24 distance requirements greater than ten feet.

132.25 Subd. 3. **Construction.** The screened interval of a water supply well constructed to
 132.26 contain a submerged closed-loop heat exchanger completed within a single aquifer may be
 132.27 designed and constructed using any combination of screen, casing, leader, riser, sump, or
 132.28 other piping combinations if the screen configuration does not interconnect aquifers.

132.29 Subd. 4. **Permits.** A submerged closed-loop heat exchanger is not subject to the permit
 132.30 requirements in this chapter.

133.1 Subd. 5. **Variiances.** A variance is not required to install or operate a submerged
 133.2 closed-loop heat exchanger.

133.3 Sec. 10. Minnesota Statutes 2022, section 121A.335, subdivision 3, is amended to read:

133.4 Subd. 3. **Frequency of testing.** ~~(a)~~ The plan under subdivision 2 must include a testing
 133.5 schedule for every building serving prekindergarten through grade 12 students. The schedule
 133.6 must require that each building be tested at least once every five years. A school district or
 133.7 charter school must begin testing school buildings by July 1, 2018, and complete testing of
 133.8 all buildings that serve students within five years.

133.9 ~~(b) A school district or charter school that finds lead at a specific location providing~~
 133.10 ~~cooking or drinking water within a facility must formulate, make publicly available, and~~
 133.11 ~~implement a plan that is consistent with established guidelines and recommendations to~~
 133.12 ~~ensure that student exposure to lead is minimized. This includes, when a school district or~~
 133.13 ~~charter school finds the presence of lead at a level where action should be taken as set by~~
 133.14 ~~the guidance in any water source that can provide cooking or drinking water, immediately~~
 133.15 ~~shutting off the water source or making it unavailable until the hazard has been minimized.~~

133.16 Sec. 11. Minnesota Statutes 2022, section 121A.335, subdivision 5, is amended to read:

133.17 Subd. 5. **Reporting.** (a) A school district or charter school that has tested its buildings
 133.18 for the presence of lead shall make the results of the testing available to the public for review
 133.19 and must directly notify parents annually of the availability of the information. School
 133.20 districts and charter schools must follow the actions outlined in guidance from the
 133.21 commissioners of health and education. ~~If a test conducted under subdivision 3, paragraph~~
 133.22 ~~(a), reveals the presence of lead above a level where action should be taken as set by the~~
 133.23 ~~guidance, the school district or charter school must, within 30 days of receiving the test~~
 133.24 ~~result, either remediate the presence of lead to below the level set in guidance, verified by~~
 133.25 ~~retest, or directly notify parents of the test result. The school district or charter school must~~
 133.26 ~~make the water source unavailable until the hazard has been minimized.~~

133.27 (b) Results of testing, and any planned remediation steps, shall be made available within
 133.28 30 days of receiving results.

133.29 (c) A school district or charter school that has tested for lead in drinking water shall
 133.30 report the results of testing, and any planned remediation steps to the school board at the
 133.31 next available school board meeting or within 30 days of receiving results, whichever is
 133.32 sooner.

134.1 (d) The school district or charter school shall maintain records of lead testing in drinking
 134.2 water records electronically or by paper copy for at least 15 years.

134.3 (e) Beginning July 1, 2024, school districts and charter schools must report their test
 134.4 results and remediation activities to the commissioner of health annually on or before July
 134.5 1 of each year.

134.6 Sec. 12. Minnesota Statutes 2022, section 121A.335, is amended by adding a subdivision
 134.7 to read:

134.8 Subd. 6. Remediation. (a) A school district or charter school that finds lead above five
 134.9 parts per billion at a specific location providing cooking or drinking water within a facility
 134.10 must formulate, make publicly available, and implement a plan to remediate the lead in
 134.11 drinking water. The plan must be consistent with established guidelines and recommendations
 134.12 to ensure exposure to lead is remediated.

134.13 (b) When lead is found above five parts per billion the water fixture shall immediately
 134.14 be shut off or made unavailable for consumption until the hazard has been minimized as
 134.15 verified by a test.

134.16 (c) If the school district or charter school receives water from a public water supply that
 134.17 has an action level exceedance of the federal Lead and Copper Rule, it may delay remediation
 134.18 activities until the public water system meets state and federal requirements for the Lead
 134.19 and Copper Rule. If the school district or charter school receives water from a lead service
 134.20 line or other lead infrastructure owned by the public water supply, the school district may
 134.21 delay remediation of fixtures until the lead service line is fully replaced. The school must
 134.22 ensure that any fixture testing above five parts per billion is not used for consumption until
 134.23 remediation activities are complete.

134.24 Sec. 13. [144.0526] MINNESOTA ONE HEALTH ANTIMICROBIAL
 134.25 STEWARDSHIP COLLABORATIVE.

134.26 Subdivision 1. Establishment. The commissioner of health shall establish the Minnesota
 134.27 One Health Antimicrobial Stewardship Collaborative. The commissioner shall appoint a
 134.28 director to execute operations, conduct health education, and provide technical assistance.

134.29 Subd. 2. Commissioner's duties. The commissioner of health shall oversee a program
 134.30 to:

134.31 (1) maintain the position of director of One Health Antimicrobial Stewardship to lead
 134.32 state antimicrobial stewardship initiatives across human, animal, and environmental health;

135.1 (2) communicate to professionals and the public the interconnectedness of human, animal,
 135.2 and environmental health, especially related to preserving the efficacy of antibiotic
 135.3 medications, which are a shared resource;

135.4 (3) leverage new and existing partnerships. The commissioner of health shall consult
 135.5 and collaborate with organizations and agencies in fields including but not limited to health
 135.6 care, veterinary medicine, animal agriculture, academic institutions, and industry and
 135.7 community organizations to inform strategies for education, practice improvement, and
 135.8 research in all settings where antimicrobials are used;

135.9 (4) ensure that veterinary settings have education and strategies needed to practice
 135.10 appropriate antibiotic prescribing, implement clinical antimicrobial stewardship programs,
 135.11 and prevent transmission of antimicrobial-resistant microbes; and

135.12 (5) support collaborative research and programmatic initiatives to improve the
 135.13 understanding of the impact of antimicrobial use and resistance in the natural environment.

135.14 Sec. 14. [144.0752] CULTURAL COMMUNICATIONS.

135.15 Subdivision 1. Establishment. The commissioner of health shall establish:

135.16 (1) a cultural communications program that advances culturally and linguistically
 135.17 appropriate communication services for communities most impacted by health disparities
 135.18 which includes limited English proficient (LEP) populations, African American, LGBTQ+,
 135.19 and people with disabilities; and

135.20 (2) a position that works with department leadership and division to ensure that the
 135.21 department follows the National Standards for Culturally and Linguistically Appropriate
 135.22 Services (CLAS) Standards.

135.23 Subd. 2. Commissioner's duties. The commissioner of health shall oversee a program
 135.24 to:

135.25 (1) align the department services, policies, procedures, and governance with the National
 135.26 CLAS Standards and establish culturally and linguistically appropriate goals, policies, and
 135.27 management accountability and apply them throughout the organization's planning and
 135.28 operations;

135.29 (2) ensure the department services respond to the cultural and linguistic diversity of
 135.30 Minnesotans and that the department partners with the community to design, implement,
 135.31 and evaluate policies, practices, and services that are aligned with the national cultural and
 135.32 linguistic appropriateness standard; and

136.1 (3) ensure the department leadership, workforce, and partners embed culturally and
136.2 linguistically appropriate policies and practices into leadership and public health program
136.3 planning, intervention, evaluation, and dissemination.

136.4 Subd. 3. **Eligible contractors.** Organizations eligible to receive contract funding under
136.5 this section include:

136.6 (1) master contractors that are selected through the state to provide language and
136.7 communication services; and

136.8 (2) organizations that are able to provide services for languages that master contracts
136.9 are unable to cover.

136.10 **Sec. 15. [144.0754] OFFICE OF AFRICAN AMERICAN HEALTH; DUTIES.**

136.11 The commissioner shall establish the Office of African American Health to address the
136.12 unique public health needs of African American Minnesotans and work to develop solutions
136.13 and systems to address identified health disparities of African American Minnesotans arising
136.14 from a context of cumulative and historical discrimination and disadvantages in multiple
136.15 systems, including but not limited to housing, education, employment, gun violence,
136.16 incarceration, environmental factors, and health care discrimination and shall:

136.17 (1) convene the African American Health State Advisory Council (AAHSAC) under
136.18 section 144.0755 to advise the commissioner on issues and to develop specific, targeted
136.19 policy solutions to improve the health of African American Minnesotans, with a focus on
136.20 US-born African Americans;

136.21 (2) based upon input from and collaboration with the AAHSAC, health indicators, and
136.22 identified disparities, conduct analysis and develop policy and program recommendations
136.23 and solutions targeted at improving African American health outcomes;

136.24 (3) coordinate and conduct community engagement across multiple systems, sectors,
136.25 and communities to address racial disparities in labor force participation, educational
136.26 achievement, and involvement with the criminal justice system that impact African American
136.27 health and well-being;

136.28 (4) conduct data analysis and research to support policy goals and solutions;

136.29 (5) award and administer African American health special emphasis grants to health and
136.30 community-based organizations to plan and develop programs targeted at improving African
136.31 American health outcomes, based upon needs identified by the council, health indicators,

137.1 and identified disparities and addressing historical trauma and systems of US born African
 137.2 American Minnesotans; and

137.3 (6) develop and administer Department of Health immersion experiences for students
 137.4 in secondary education and community colleges to improve diversity of the public health
 137.5 workforce and introduce career pathways that contribute to reducing health disparities.

137.6 **Sec. 16. [144.0755] AFRICAN AMERICAN HEALTH STATE ADVISORY**
 137.7 **COUNCIL.**

137.8 Subdivision 1. **Establishment; purpose.** The commissioner of health shall establish
 137.9 and administer the African American Health State Advisory Council to advise the
 137.10 commissioner on implementing specific strategies to reduce health inequities and disparities
 137.11 that particularly affect African Americans in Minnesota.

137.12 Subd. 2. **Members.** (a) The council shall include no fewer than 12 or more than 20
 137.13 members from any of the following groups:

137.14 (1) representatives of community-based organizations serving or advocating for African
 137.15 American citizens;

137.16 (2) at-large community leaders or elders, as nominated by other council members;

137.17 (3) African American individuals who provide and receive health care services;

137.18 (4) African American secondary or college students;

137.19 (5) health or human service professionals serving African American communities or
 137.20 clients;

137.21 (6) representatives with research or academic expertise in racial equity; and

137.22 (7) other members that the commissioner deems appropriate to facilitate the goals and
 137.23 duties of the council.

137.24 (b) The commissioner shall make recommendations for committee membership and,
 137.25 after considering recommendations from the council, shall appoint a chair or chairs of the
 137.26 committee. Committee members shall be appointed by the governor.

137.27 Subd. 3. **Terms.** A term shall be for two years and appointees may be reappointed to
 137.28 serve two additional terms. The commissioner shall recommend appointments to replace
 137.29 members vacating their positions in a timely manner, no more than three months after the
 137.30 council reviews panel recommendations.

137.31 Subd. 4. **Duties of commissioner.** The commissioner or commissioner's designee shall:

- 138.1 (1) maintain and actively engage with the council established in this section;
138.2 (2) based on recommendations of the council, review identified department or other
138.3 related policies or practices that maintain health inequities and disparities that particularly
138.4 affect African Americans in Minnesota;
138.5 (3) in partnership with the council, recommend or implement action plans and resources
138.6 necessary to address identified disparities and advance African American health equity;
138.7 (4) support interagency collaboration to advance African American health equity; and
138.8 (5) support member participation in the council, including participation in educational
138.9 and community engagement events across Minnesota that specifically address African
138.10 American health equity.

138.11 Subd. 5. **Duties of council.** The council shall:

- 138.12 (1) identify health disparities found in African American communities and contributing
138.13 factors;
138.14 (2) recommend to the commissioner for review any statutes, rules, or administrative
138.15 policies or practices that would address African American health disparities;
138.16 (3) recommend policies and strategies to the commissioner of health to address disparities
138.17 specifically affecting African American health;
138.18 (4) form work groups of council members who are persons who provide and receive
138.19 services and representatives of advocacy groups;
138.20 (5) provide the work groups with clear guidelines, standardized parameters, and tasks
138.21 for the work groups to accomplish; and
138.22 (6) annually submit to the commissioner a report that summarizes the activities of the
138.23 council, identifies disparities specially affecting the health of African American Minnesotans,
138.24 and makes recommendations to address identified disparities.

138.25 Subd. 6. **Duties of council members.** The members of the council shall:

- 138.26 (1) attend scheduled meetings with no more than three absences per year, participate in
138.27 scheduled meetings, and prepare for meetings by reviewing meeting notes;
138.28 (2) maintain open communication channels with respective constituencies;
138.29 (3) identify and communicate issues and risks that may impact the timely completion
138.30 of tasks;

139.1 (4) participate in any activities the council or commissioner deems appropriate and
 139.2 necessary to facilitate the goals and duties of the council; and

139.3 (5) participate in work groups to carry out council duties.

139.4 Subd. 7. **Staffing; office space; equipment.** The commissioner shall provide the advisory
 139.5 council with staff support, office space, and access to office equipment and services.

139.6 Subd. 8. **Reimbursement.** Compensation or reimbursement for travel and expenses, or
 139.7 both, incurred for council activities is governed in accordance with section 15.059,
 139.8 subdivision 3.

139.9 Sec. 17. **[144.0756] AFRICAN AMERICAN HEALTH SPECIAL EMPHASIS GRANT**
 139.10 **PROGRAM.**

139.11 Subdivision 1. **Establishment.** The commissioner of health shall establish the African
 139.12 American health special emphasis grant program administered by the Office of African
 139.13 American Health. The purposes of the program are to:

139.14 (1) identify disparities impacting African American health arising from cumulative and
 139.15 historical discrimination and disadvantages in multiple systems, including but not limited
 139.16 to housing, education, employment, gun violence, incarceration, environmental factors, and
 139.17 health care discrimination; and

139.18 (2) develop community-based solutions that incorporate a multisector approach to
 139.19 addressing identified disparities impacting African American health.

139.20 Subd. 2. **Requests for proposals; accountability; data collection.** As directed by the
 139.21 commissioner of health, the Office of African American Health shall:

139.22 (1) develop a request for proposals for an African American health special emphasis
 139.23 grant program in consultation with community stakeholders;

139.24 (2) provide outreach, technical assistance, and program development guidance to potential
 139.25 qualifying organizations or entities;

139.26 (3) review responses to requests for proposals in consultation with community
 139.27 stakeholders and award grants under this section;

139.28 (4) establish a transparent and objective accountability process in consultation with
 139.29 community stakeholders, focused on outcomes that grantees agree to achieve;

139.30 (5) provide grantees with access to summary and other public data to assist grantees in
 139.31 establishing and implementing effective community-led solutions; and

140.1 (6) collect and maintain data on outcomes reported by grantees.

140.2 Subd. 3. **Eligible grantees.** Organizations eligible to receive grant funding under this
140.3 section include nonprofit organizations or entities that work with African American
140.4 communities or are focused on addressing disparities impacting the health of African
140.5 American communities.

140.6 Subd. 4. **Strategic consideration and priority of proposals; grant awards.** In
140.7 developing the requests for proposals and awarding the grants, the commissioner and the
140.8 Office of African American Health shall consider building upon the existing capacity of
140.9 communities and on developing capacity where it is lacking. Proposals shall focus on
140.10 addressing health equity issues specific to US-born African American communities;
140.11 addressing the health impact of historical trauma; and reducing health disparities experienced
140.12 by US-born African American communities; and incorporating a multisector approach to
140.13 addressing identified disparities.

140.14 Subd. 5. **Report.** Grantees must report grant program outcomes to the commissioner on
140.15 the forms and according to timelines established by the commissioner.

140.16 Sec. 18. **[144.0757] OFFICE OF AMERICAN INDIAN HEALTH .**

140.17 Subdivision 1. **Duties.** The Office of American Indian Health is established to address
140.18 unique public health needs of American Indian Tribal communities in Minnesota, and shall:

140.19 (1) coordinate with Minnesota's Tribal Nations and urban American Indian
140.20 community-based organizations to identify underlying causes of health disparities, address
140.21 unique health needs of Minnesota's Tribal communities, and develop public health approaches
140.22 to achieve health equity;

140.23 (2) strengthen capacity of American Indian and community-based organizations and
140.24 Tribal Nations to address identified health disparities and needs;

140.25 (3) administer state and federal grant funding opportunities targeted to improve the
140.26 health of American Indians;

140.27 (4) provide overall leadership for targeted development of holistic health and wellness
140.28 strategies to improve health and to support Tribal and urban American Indian public health
140.29 leadership and self-sufficiency;

140.30 (5) provide technical assistance to Tribal and American Indian urban community leaders
140.31 to develop culturally appropriate activities to address public health emergencies;

141.1 (6) develop and administer the department immersion experiences for American Indian
 141.2 students in secondary education and community colleges to improve diversity of the public
 141.3 health workforce and introduce career pathways that contribute to reducing health disparities;
 141.4 and

141.5 (7) identify and promote workforce development strategies for Department of Health
 141.6 staff to work with the American Indian population and Tribal Nations more effectively in
 141.7 Minnesota.

141.8 Subd. 2. **Grants and contracts.** To carry out these duties, the office may contract with
 141.9 or provide grants to qualifying entities.

141.10 Sec. 19. **[144.0758] AMERICAN INDIAN SPECIAL EMPHASIS GRANTS.**

141.11 Subdivision 1. **Establishment.** The commissioner of health shall establish the American
 141.12 Indian health special emphasis grant program. The purposes of the program are to:

141.13 (1) plan and develop programs targeted to address continuing and persistent health
 141.14 disparities of Minnesota's American Indian population and improve American Indian health
 141.15 outcomes based upon needs identified by health indicators and identified disparities;

141.16 (2) identify disparities in American Indian health arising from cumulative and historical
 141.17 discrimination; and

141.18 (3) plan and develop community-based solutions with a multisector approach to
 141.19 addressing identified disparities in American Indian health.

141.20 Subd. 2. **Commissioner's duties.** The commissioner of health shall:

141.21 (1) develop a request for proposals for an American Indian special emphasis grant
 141.22 program in consultation with Minnesota's Tribal Nations and urban American Indian
 141.23 community-based organizations based upon needs identified by the community, health
 141.24 indicators, and identified disparities;

141.25 (2) provide outreach, technical assistance, and program development guidance to potential
 141.26 qualifying organizations or entities;

141.27 (3) review responses to requests for proposals in consultation with community
 141.28 stakeholders and award grants under this section;

141.29 (4) establish a transparent and objective accountability process in consultation with
 141.30 community stakeholders focused on outcomes that grantees agree to achieve;

142.1 (5) provide grantees with access to data to assist grantees in establishing and
142.2 implementing effective community-led solutions; and

142.3 (6) collect and maintain data on outcomes reported by grantees.

142.4 Subd. 3. **Eligible grantees.** Organizations eligible to receive grant funding under this
142.5 section are Minnesota's Tribal Nations and urban American Indian community-based
142.6 organizations.

142.7 Subd. 4. **Strategic consideration and priority of proposals; grant awards.** In
142.8 developing the proposals and awarding the grants, the commissioner shall consider building
142.9 upon the existing capacity of Minnesota's Tribal Nations and urban American Indian
142.10 community-based organizations and on developing capacity where it is lacking. Proposals
142.11 should focus on addressing health equity issues specific to Tribal and urban American Indian
142.12 communities; addressing the health impact of historical trauma; reducing health disparities
142.13 experienced by American Indian communities; and incorporating a multisector approach
142.14 to addressing identified disparities.

142.15 Subd. 5. **Report.** Grantees must report grant program outcomes to the commissioner on
142.16 the forms and according to the timelines established by the commissioner.

142.17 **Sec. 20. [144.0759] PUBLIC HEALTH AMERICORPS.**

142.18 The commissioner may award a grant to a statewide, nonprofit organization to support
142.19 Public Health AmeriCorps members. The organization awarded the grant shall provide the
142.20 commissioner with any information needed by the commissioner to evaluate the program
142.21 in the form and at the timelines specified by the commissioner.

142.22 **Sec. 21. Minnesota Statutes 2022, section 144.122, is amended to read:**

142.23 **144.122 LICENSE, PERMIT, AND SURVEY FEES.**

142.24 (a) The state commissioner of health, by rule, may prescribe procedures and fees for
142.25 filing with the commissioner as prescribed by statute and for the issuance of original and
142.26 renewal permits, licenses, registrations, and certifications issued under authority of the
142.27 commissioner. The expiration dates of the various licenses, permits, registrations, and
142.28 certifications as prescribed by the rules shall be plainly marked thereon. Fees may include
142.29 application and examination fees and a penalty fee for renewal applications submitted after
142.30 the expiration date of the previously issued permit, license, registration, and certification.
142.31 The commissioner may also prescribe, by rule, reduced fees for permits, licenses,
142.32 registrations, and certifications when the application therefor is submitted during the last

143.1 three months of the permit, license, registration, or certification period. Fees proposed to
 143.2 be prescribed in the rules shall be first approved by the Department of Management and
 143.3 Budget. All fees proposed to be prescribed in rules shall be reasonable. The fees shall be
 143.4 in an amount so that the total fees collected by the commissioner will, where practical,
 143.5 approximate the cost to the commissioner in administering the program. All fees collected
 143.6 shall be deposited in the state treasury and credited to the state government special revenue
 143.7 fund unless otherwise specifically appropriated by law for specific purposes.

143.8 (b) The commissioner may charge a fee for voluntary certification of medical laboratories
 143.9 and environmental laboratories, and for environmental and medical laboratory services
 143.10 provided by the department, without complying with paragraph (a) or chapter 14. Fees
 143.11 charged for environment and medical laboratory services provided by the department must
 143.12 be approximately equal to the costs of providing the services.

143.13 (c) The commissioner may develop a schedule of fees for diagnostic evaluations
 143.14 conducted at clinics held by the services for children with disabilities program. All receipts
 143.15 generated by the program are annually appropriated to the commissioner for use in the
 143.16 maternal and child health program.

143.17 (d) The commissioner shall set license fees for hospitals and nursing homes that are not
 143.18 boarding care homes at the following levels:

143.19	Joint Commission on Accreditation of	\$7,655 plus \$16 per bed
143.20	Healthcare Organizations (JCAHO) and	
143.21	American Osteopathic Association (AOA)	
143.22	hospitals	
143.23	Non-JCAHO and non-AOA hospitals	\$5,280 plus \$250 per bed
143.24	Nursing home	\$183 plus \$91 per bed until June 30, 2018.
143.25		\$183 plus \$100 per bed between July 1, 2018,
143.26		and June 30, 2020. \$183 plus \$105 per bed
143.27		beginning July 1, 2020.

143.28 The commissioner shall set license fees for outpatient surgical centers, boarding care
 143.29 homes, supervised living facilities, assisted living facilities, and assisted living facilities
 143.30 with dementia care at the following levels:

143.31	Outpatient surgical centers	\$3,712
143.32	Boarding care homes	\$183 plus \$91 per bed
143.33	Supervised living facilities	\$183 plus \$91 per bed.
143.34	Assisted living facilities with dementia care	\$3,000 plus \$100 per resident.
143.35	Assisted living facilities	\$2,000 plus \$75 per resident.

144.1 Fees collected under this paragraph are nonrefundable. The fees are nonrefundable even if
 144.2 received before July 1, 2017, for licenses or registrations being issued effective July 1, 2017,
 144.3 or later.

144.4 (e) Unless prohibited by federal law, the commissioner of health shall charge applicants
 144.5 the following fees to cover the cost of any initial certification surveys required to determine
 144.6 a provider's eligibility to participate in the Medicare or Medicaid program:

144.7	Prospective payment surveys for hospitals	\$	900
144.8	Swing bed surveys for nursing homes	\$	1,200
144.9	Psychiatric hospitals	\$	1,400
144.10	Rural health facilities	\$	1,100
144.11	Portable x-ray providers	\$	500
144.12	Home health agencies	\$	1,800
144.13	Outpatient therapy agencies	\$	800
144.14	End stage renal dialysis providers	\$	2,100
144.15	Independent therapists	\$	800
144.16	Comprehensive rehabilitation outpatient facilities	\$	1,200
144.17	Hospice providers	\$	1,700
144.18	Ambulatory surgical providers	\$	1,800
144.19	Hospitals	\$	4,200
144.20	Other provider categories or additional	Actual surveyor costs: average	
144.21	resurveys required to complete initial	surveyor cost x number of hours for	
144.22	certification	the survey process.	

144.23 These fees shall be submitted at the time of the application for federal certification and
 144.24 shall not be refunded. All fees collected after the date that the imposition of fees is not
 144.25 prohibited by federal law shall be deposited in the state treasury and credited to the state
 144.26 government special revenue fund.

144.27 (f) Notwithstanding section 16A.1283, the commissioner may adjust the fees assessed
 144.28 on assisted living facilities and assisted living facilities with dementia care under paragraph
 144.29 (d), in a revenue-neutral manner in accordance with the requirements of this paragraph:

144.30 (1) a facility seeking to renew a license shall pay a renewal fee in an amount that is up
 144.31 to ten percent lower than the applicable fee in paragraph (d) if residents who receive home
 144.32 and community-based waiver services under chapter 256S and section 256B.49 comprise
 144.33 more than 50 percent of the facility's capacity in the calendar year prior to the year in which
 144.34 the renewal application is submitted; and

145.1 (2) a facility seeking to renew a license shall pay a renewal fee in an amount that is up
145.2 to ten percent higher than the applicable fee in paragraph (d) if residents who receive home
145.3 and community-based waiver services under chapter 256S and section 256B.49 comprise
145.4 less than 50 percent of the facility's capacity during the calendar year prior to the year in
145.5 which the renewal application is submitted.

145.6 The commissioner may annually adjust the percentages in clauses (1) and (2), to ensure this
145.7 paragraph is implemented in a revenue-neutral manner. The commissioner shall develop a
145.8 method for determining capacity thresholds in this paragraph in consultation with the
145.9 commissioner of human services and must coordinate the administration of this paragraph
145.10 with the commissioner of human services for purposes of verification.

145.11 (g) The commissioner shall charge hospitals an annual licensing base fee of \$1,826 per
145.12 hospital, plus an additional \$23 per licensed bed or bassinet fee. Revenue shall be deposited
145.13 to the state government special revenue fund and credited toward trauma hospital designations
145.14 under sections 144.605 and 144.6071.

145.15 Sec. 22. **[144.1462] COMMUNITY HEALTH WORKERS; GRANTS AUTHORIZED.**

145.16 Subdivision 1. **Establishment.** The commissioner of health shall support collaboration
145.17 and coordination between state and community partners to develop, refine, and expand the
145.18 community health workers (CHW) profession in Minnesota; equipping community health
145.19 workers to address health needs; and to improve health outcomes. This work addresses the
145.20 social conditions that impact community health and well-being in public safety, social
145.21 services, youth and family services, schools, and neighborhood associations.

145.22 Subd. 2. **Grants and contracts authorized; eligibility.** The commissioner of health
145.23 shall establish grants and contracts to expand and strengthen the community health worker
145.24 workforce across Minnesota. The recipients shall include at least one not-for-profit
145.25 community organization serving, convening, and supporting community health workers
145.26 statewide.

145.27 Subd. 3. **Evaluation.** The commissioner of health shall design, conduct, and evaluate
145.28 the CHW initiative using measures such as workforce capacity, employment opportunity,
145.29 reach of services, and return on investment, as well as descriptive measures of the existing
145.30 community health worker models as they compare with the national community health
145.31 workers' landscape. These initial measures point to longer-term change in social determinants
145.32 of health and rates of death and injury by suicide, overdose, firearms, alcohol, and chronic
145.33 disease.

146.1 Subd. 4. **Report.** Grant recipients and contractors must report program outcomes to the
146.2 department annually and by the guidelines established by the commissioner.

146.3 Sec. 23. Minnesota Statutes 2022, section 144.218, subdivision 1, is amended to read:

146.4 Subdivision 1. **Adoption.** Upon receipt of a certified copy of an order, decree, or
146.5 certificate of adoption, the state registrar shall register a replacement vital record in the new
146.6 name of the adopted person. The original record of birth is ~~confidential~~ private pursuant to
146.7 section 13.02, subdivision ~~3~~ 12, and shall not be disclosed except pursuant to court order
146.8 or section 144.2252. The information contained on the original birth record, except for the
146.9 registration number, shall be provided on request to a parent who is named on the original
146.10 birth record. Upon the receipt of a certified copy of a court order of annulment of adoption
146.11 the state registrar shall restore the original vital record to its original place in the file.

146.12 **EFFECTIVE DATE.** This section is effective July 1, 2024.

146.13 Sec. 24. Minnesota Statutes 2022, section 144.218, subdivision 2, is amended to read:

146.14 Subd. 2. **Adoption of foreign persons.** In proceedings for the adoption of a person who
146.15 was born in a foreign country, the court, upon evidence presented by the commissioner of
146.16 human services from information secured at the port of entry or upon evidence from other
146.17 reliable sources, may make findings of fact as to the date and place of birth and parentage.
146.18 Upon receipt of certified copies of the court findings and the order or decree of adoption,
146.19 a certificate of adoption, or a certified copy of a decree issued under section 259.60, the
146.20 state registrar shall register a birth record in the new name of the adopted person. The
146.21 certified copies of the court findings and the order or decree of adoption, certificate of
146.22 adoption, or decree issued under section 259.60 are ~~confidential~~ private data, pursuant to
146.23 section 13.02, subdivision ~~3~~ 12, and shall not be disclosed except pursuant to court order
146.24 or section 144.2252. The birth record shall state the place of birth as specifically as possible
146.25 and that the vital record is not evidence of United States citizenship.

146.26 **EFFECTIVE DATE.** This section is effective July 1, 2024.

146.27 Sec. 25. Minnesota Statutes 2022, section 144.225, subdivision 2, is amended to read:

146.28 Subd. 2. **Data about births.** (a) Except as otherwise provided in this subdivision, data
146.29 pertaining to the birth of a child to a woman who was not married to the child's father when
146.30 the child was conceived nor when the child was born, including the original record of birth
146.31 and the certified vital record, are confidential data. At the time of the birth of a child to a
146.32 woman who was not married to the child's father when the child was conceived nor when

147.1 the child was born, the mother may designate demographic data pertaining to the birth as
147.2 public. Notwithstanding the designation of the data as confidential, it may be disclosed:

147.3 (1) to a parent or guardian of the child;

147.4 (2) to the child when the child is 16 years of age or older, except as provided in clause

147.5 (3);

147.6 (3) to the child if the child is a homeless youth;

147.7 (4) under paragraph (b), (e), or (f); or

147.8 (5) pursuant to a court order. For purposes of this section, a subpoena does not constitute
147.9 a court order.

147.10 (b) ~~Unless the child is adopted,~~ data pertaining to the birth of a child that are not accessible
147.11 to the public become public data if 100 years have elapsed since the birth of the child who
147.12 is the subject of the data, or as provided under section 13.10, whichever occurs first.

147.13 (c) If a child is adopted, data pertaining to the child's birth are governed by the provisions
147.14 relating to adoption and birth records, including sections 13.10, subdivision 5; 144.218,
147.15 subdivision 1; and 144.2252; ~~and 259.89.~~

147.16 (d) The name and address of a mother under paragraph (a) and the child's date of birth
147.17 may be disclosed to the county social services, tribal health department, or public health
147.18 member of a family services collaborative for purposes of providing services under section
147.19 124D.23.

147.20 (e) The commissioner of human services shall have access to birth records for:

147.21 (1) the purposes of administering medical assistance and the MinnesotaCare program;

147.22 (2) child support enforcement purposes; and

147.23 (3) other public health purposes as determined by the commissioner of health.

147.24 (f) Tribal child support programs shall have access to birth records for child support
147.25 enforcement purposes.

147.26 **EFFECTIVE DATE.** This section is effective July 1, 2024.

147.27 Sec. 26. Minnesota Statutes 2022, section 144.2252, is amended to read:

147.28 **144.2252 ACCESS TO ORIGINAL BIRTH RECORD AFTER ADOPTION.**

147.29 **Subdivision 1. Definitions.** (a) ~~Whenever an adopted person requests the state registrar~~
147.30 ~~to disclose the information on the adopted person's original birth record, the state registrar~~

148.1 ~~shall act according to section 259.89.~~ For purposes of this section, the following terms have
148.2 the meanings given.

148.3 (b) "Person related to the adopted person" means:

148.4 (1) the spouse, child, or grandchild of an adopted person, if the spouse, child, or
148.5 grandchild is at least 18 years of age; or

148.6 (2) the legal representative of an adopted person.

148.7 The definition under this paragraph only applies when the adopted person is deceased.

148.8 (c) "Original birth record" means a copy of the original birth record for a person who is
148.9 born in Minnesota and whose original birth record was sealed and replaced by a replacement
148.10 birth record after the state registrar received a certified copy of an order, decree, or certificate
148.11 of adoption.

148.12 Subd. 2. Release of original birth record. (a) The state registrar must provide to an
148.13 adopted person who is 18 years of age or older or a person related to the adopted person a
148.14 copy of the adopted person's original birth record and any evidence of the adoption previously
148.15 filed with the state registrar. To receive a copy of an original birth record under this
148.16 subdivision, the adopted person or person related to the adopted person must make the
148.17 request to the state registrar in writing. The copy of the original birth record must clearly
148.18 indicate that it may not be used for identification purposes. All procedures, fees, and waiting
148.19 periods applicable to a nonadopted person's request for a copy of a birth record apply in the
148.20 same manner as requests made under this section.

148.21 (b) If a contact preference form is attached to the original birth record as authorized
148.22 under section 144.2253, the state registrar must provide a copy of the contact preference
148.23 form along with the copy of the adopted person's original birth record.

148.24 ~~(b)~~ (c) The state registrar shall provide a transcript of an adopted person's original birth
148.25 record to an authorized representative of a federally recognized American Indian tribe for
148.26 the sole purpose of determining the adopted person's eligibility for enrollment or membership.
148.27 Information contained in the birth record may not be used to provide the adopted person
148.28 information about the person's birth parents, except as provided in this section or section
148.29 259.83.

148.30 (d) For a replacement birth record issued under section 144.218, the adopted person or
148.31 a person related to the adopted person may obtain from the state registrar copies of the order
148.32 or decree of adoption, certificate of adoption, or decree issued under section 259.60, as filed
148.33 with the state registrar.

149.1 Subd. 3. **Adult adoptions.** Notwithstanding section 144.218, a person adopted as an
149.2 adult may access the person's birth records that existed before the person's adult adoption.
149.3 Access to the existing birth records shall be the same access that was permitted prior to the
149.4 adult adoption.

149.5 **EFFECTIVE DATE.** This section is effective July 1, 2024.

149.6 Sec. 27. **[144.2253] BIRTH PARENT CONTACT PREFERENCE FORM.**

149.7 (a) The commissioner must make available to the public a contact preference form as
149.8 described in paragraph (b).

149.9 (b) The contact preference form must provide the following information to be completed
149.10 at the option of a birth parent:

149.11 (1) "I would like to be contacted."

149.12 (2) "I would prefer to be contacted only through an intermediary."

149.13 (3) "I prefer not to be contacted at this time. If I decide later that I would like to be
149.14 contacted, I will submit an updated contact preference form to the Minnesota Department
149.15 of Health."

149.16 (c) If a birth parent of an adopted person submits a completed contact preference form
149.17 to the commissioner, the commissioner must:

149.18 (1) match the contact preference form to the adopted person's original birth record; and

149.19 (2) attach the contact preference form to the original birth record as required under
149.20 section 144.2252.

149.21 (d) A contact preference form submitted to the commissioner under this section is private
149.22 data on an individual as defined in section 13.02, subdivision 12, except that the contact
149.23 preference form may be released as provided under section 144.2252, subdivision 2.

149.24 **EFFECTIVE DATE.** This section is effective August 1, 2023.

149.25 Sec. 28. **[144.2254] PREVIOUSLY FILED CONSENTS TO DISCLOSURE AND**
149.26 **AFFIDAVITS OF NONDISCLOSURE.**

149.27 (a) The commissioner must inform a person applying for an original birth record under
149.28 section 144.2252 of the existence of an unrevoked consent to disclosure or an affidavit of
149.29 nondisclosure on file with the department, including the name of the birth parent who filed
149.30 the consent or affidavit. If a birth parent authorized the release of the birth parent's address

150.1 on an unrevoked consent to disclosure, the commissioner shall provide the address to the
150.2 person who requests the original birth record.

150.3 (b) A birth parent's consent to disclosure or affidavit of nondisclosure filed with the
150.4 commissioner of health expires and has no force or effect beginning on June 30, 2024.

150.5 **EFFECTIVE DATE.** This section is effective July 1, 2024.

150.6 Sec. 29. Minnesota Statutes 2022, section 144.226, subdivision 3, is amended to read:

150.7 Subd. 3. **Birth record surcharge.** (a) In addition to any fee prescribed under subdivision
150.8 1, there shall be a nonrefundable surcharge of \$3 for each certified birth or stillbirth record
150.9 and for a certification that the vital record cannot be found. The state registrar or local
150.10 issuance office shall forward this amount to the commissioner of management and budget
150.11 each month following the collection of the surcharge for deposit into the account for the
150.12 children's trust fund for the prevention of child abuse established under section 256E.22.
150.13 This surcharge shall not be charged under those circumstances in which no fee for a certified
150.14 birth or stillbirth record is permitted under subdivision 1, paragraph (b). Upon certification
150.15 by the commissioner of management and budget that the assets in that fund exceed
150.16 \$20,000,000, this surcharge shall be discontinued.

150.17 (b) In addition to any fee prescribed under subdivision 1, there shall be a nonrefundable
150.18 surcharge of \$10 for each certified birth record. The state registrar or local issuance office
150.19 shall forward this amount to the commissioner of management and budget each month
150.20 following the collection of the surcharge for deposit in the general fund.

150.21 Sec. 30. Minnesota Statutes 2022, section 144.226, subdivision 4, is amended to read:

150.22 Subd. 4. **Vital records surcharge.** In addition to any fee prescribed under subdivision
150.23 1, there is a nonrefundable surcharge of \$4 for each certified and noncertified birth, stillbirth,
150.24 or death record, and for a certification that the record cannot be found. The local issuance
150.25 office or state registrar shall forward this amount to the commissioner of management and
150.26 budget each month following the collection of the surcharge to be deposited into the state
150.27 government special revenue fund.

150.28 Sec. 31. [144.3832] PUBLIC WATER SYSTEM INFRASTRUCTURE
150.29 STRENGTHENING GRANTS.

150.30 Subdivision 1. **Establishment; purpose.** The commissioner of health shall establish a
150.31 grant program to ensure the uninterrupted delivery of safe water through emergency power
150.32 supplies and back-up wells, backflow prevention, water reuse, increased cybersecurity,

151.1 floodplain mapping, support for very small water system infrastructure, and piloting solar
 151.2 farms in source water protection areas.

151.3 Subd. 2. **Grants authorized.** (a) The commissioner shall award grants for emergency
 151.4 power supplies, back-up wells, and cross connection prevention programs through a request
 151.5 for proposals process to public water systems. Priority shall be given to small and very small
 151.6 public water systems that serve populations of less than 3,300 and 500 respectively. The
 151.7 commissioner shall award matching grants to public water systems that serve populations
 151.8 of less than 500 for infrastructure improvements supporting system operations and resiliency.

151.9 (b) Grantees must address one or more areas of infrastructure strengthening with the
 151.10 goals of:

151.11 (1) ensuring the uninterrupted delivery of safe and affordable water to their customers;

151.12 (2) anticipating and mitigating potential threats arising from climate change such as
 151.13 flooding and drought;

151.14 (3) providing resiliency to maintain drinking water supply capacity in case of a loss of
 151.15 power;

151.16 (4) providing redundancy by having more than one source of water in case the main
 151.17 source of water fails; or

151.18 (5) preventing contamination by cross connections through a self-sustaining cross
 151.19 connection control program.

151.20 Sec. 32. **[144.3885] LABOR TRAFFICKING SERVICES GRANT PROGRAM.**

151.21 Subdivision 1. **Establishment.** The commissioner of health must establish a labor
 151.22 trafficking services grant program to provide comprehensive, trauma-informed, and culturally
 151.23 specific services for victims of labor trafficking or labor exploitation.

151.24 Subd. 2. **Eligibility; application.** To be eligible for a grant under this section, applicants
 151.25 must be a nonprofit organization or a non-governmental organization serving victims of
 151.26 labor trafficking or labor exploitation. An organization seeking a grant under this section
 151.27 must apply to the commissioner at a time and in a manner specified by the commissioner.
 151.28 The commissioner must review each application to determine if the application is complete,
 151.29 the organization is eligible for a grant, and the proposed project is an allowable use of grant
 151.30 funds. The commissioner must determine the grant amount awarded to applicants that the
 151.31 commissioner determines will receive a grant.

152.1 Subd. 3. **Reporting.** (a) The grantee must submit a report to the commissioner in a
 152.2 manner and on a timeline specified by the commissioner on how the grant funds were spent
 152.3 and how many individuals were served.

152.4 (b) By January 15 of each year, the commissioner must submit a report to the chairs and
 152.5 ranking minority members of the legislative committees with jurisdiction over health policy
 152.6 and finance. The report must include the names of the grant recipients, how the grant funds
 152.7 were spent, and how many individuals were served.

152.8 Sec. 33. **[144.398] TOBACCO USE PREVENTION ACCOUNT; ESTABLISHMENT**
 152.9 **AND USES.**

152.10 Subdivision 1. **Definitions.** (a) As used in this section, the terms in this subdivision have
 152.11 the meanings given.

152.12 (b) "Electronic delivery device" has the meaning given in section 609.685, subdivision
 152.13 1, paragraph (c).

152.14 (c) "Tobacco" has the meaning given in section 609.685, subdivision 1, paragraph (a).

152.15 (d) "Tobacco-related devices" has the meaning given in section 609.685, subdivision 1,
 152.16 paragraph (b).

152.17 (e) "Nicotine delivery product" has the meaning given in section 609.6855, subdivision
 152.18 1, paragraph (c).

152.19 Subd. 2. **Account created.** A tobacco use prevention account is created in the special
 152.20 revenue fund. Pursuant to section 16A.151, subdivision 2, paragraph (h), the commissioner
 152.21 of management and budget shall deposit into the account any money received by the state
 152.22 resulting from a settlement agreement or an assurance of discontinuance entered into by the
 152.23 attorney general of the state, or a court order in litigation brought by the attorney general
 152.24 of the state on behalf of the state or a state agency related to alleged violations of consumer
 152.25 fraud laws in the marketing, sale, or distribution of electronic nicotine delivery systems in
 152.26 this state or other alleged illegal actions that contributed to the exacerbation of youth nicotine
 152.27 use.

152.28 Subd. 3. **Appropriations from tobacco use prevention account.** (a) Each fiscal year,
 152.29 the amount of money in the tobacco use prevention account is appropriated to the
 152.30 commissioner of health for:

152.31 (1) tobacco and electronic delivery device use prevention and cessation projects consistent
 152.32 with the duties specified in section 144.392;

- 153.1 (2) a public information program under section 144.393;
- 153.2 (3) the development of health promotion and health education materials about tobacco
 153.3 and electronic delivery device use prevention and cessation;
- 153.4 (4) tobacco and electronic delivery device use prevention activities under section 144.396;
 153.5 and
- 153.6 (5) statewide tobacco cessation services under section 144.397.
- 153.7 (b) In activities funded under this subdivision, the commissioner of health must:
- 153.8 (1) prioritize preventing persons under the age of 21 from using commercial tobacco,
 153.9 electronic delivery devices, tobacco-related devices, and nicotine delivery products;
- 153.10 (2) promote racial and health equity; and
- 153.11 (3) use strategies that are evidence-based or based on promising practices.
- 153.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

153.13 **Sec. 34. [144.4962] LOCAL AND TRIBAL PUBLIC HEALTH EMERGENCY**
 153.14 **PREPAREDNESS AND RESPONSE GRANT PROGRAM.**

153.15 Subdivision 1. **Establishment.** The commissioner of health must establish a local and
 153.16 tribal public health emergency preparedness and response grant program.

153.17 Subd. 2. **Eligibility; application.** (a) Local and tribal public health organizations are
 153.18 eligible to receive grants as provided in this section. Grant proceeds must align with the
 153.19 Centers for Disease Control and Prevention's issued report: Public Health Emergency
 153.20 Preparedness and Response Capabilities: National Standards for State, Local, Tribal, and
 153.21 Territorial Public Health.

153.22 (b) A local or tribal public health organization seeking a grant under this section must
 153.23 apply to the commissioner at a time and in a manner specified by the commissioner. The
 153.24 commissioner must review each application to determine if the application is complete, the
 153.25 organization is eligible for a grant, and the proposed project is an allowable use of grant
 153.26 funds. The commissioner must determine the grant amount awarded to applicants that the
 153.27 commissioner determines will receive a grant.

153.28 Subd. 3. **Reporting.** (a) The grantee must submit a report to the commissioner in a
 153.29 manner and on a timeline specified by the commissioner on how the grant funds were spent
 153.30 and how many individuals were served.

154.1 (b) By January 15 of each year, the commissioner must submit a report to the chairs and
 154.2 ranking minority members of the legislative committees with jurisdiction over health policy
 154.3 and finance. The report must include the names of the grant recipients, how the grant funds
 154.4 were spent, and how many individuals were served.

154.5 Sec. 35. **[144.557] REQUIREMENTS FOR CERTAIN HEALTH CARE ENTITY**
 154.6 **TRANSACTIONS.**

154.7 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
 154.8 the meaning given.

154.9 (b) "Captive professional entity" means a professional corporation, limited liability
 154.10 company, or other entity formed to render professional services in which a beneficial owner
 154.11 is a health care provider employed by, controlled by, or subject to the direction of a hospital
 154.12 or hospital system.

154.13 (c) "Commissioner" means the commissioner of health.

154.14 (d) "Control," including the terms "controlling," "controlled by," and "under common
 154.15 control with," means the possession, direct or indirect, of the power to direct or cause the
 154.16 direction of the management and policies of a person, whether through the ownership of
 154.17 voting securities, membership in an entity formed under chapter 317A, by contract other
 154.18 than a commercial contract for goods or nonmanagement services, or otherwise, unless the
 154.19 power is the result of an official position with, corporate office held by, or court appointment
 154.20 of, the person. Control is presumed to exist if any person, directly or indirectly, owns,
 154.21 controls, holds with the power to vote, or holds proxies representing, 40 percent or more of
 154.22 the voting securities of any other person, or if any person, directly or indirectly, constitutes
 154.23 40 percent or more of the membership of an entity formed under chapter 317A. The
 154.24 commissioner may determine, after furnishing all persons in interest notice and opportunity
 154.25 to be heard and making specific findings of fact to support such determination, that control
 154.26 exists in fact, notwithstanding the absence of a presumption to that effect.

154.27 (e) "Health care entity" means:

154.28 (1) a hospital;

154.29 (2) a hospital system;

154.30 (3) a captive professional entity;

154.31 (4) a medical foundation;

154.32 (5) a health care provider group practice;

155.1 (6) an entity organized or controlled by an entity listed in clauses (1) to (5); or

155.2 (7) an entity that owns or exercises control over an entity listed in clauses (1) to (5).

155.3 (f) "Health care provider" means a physician licensed under chapter 147, a physician
155.4 assistant licensed under chapter 147A, or an advanced practice registered nurse as defined
155.5 in section 148.171, subdivision 3, who provides health care services, including but not
155.6 limited to medical care, consultation, diagnosis, or treatment.

155.7 (g) "Health care provider group practice" means two or more health care providers legally
155.8 organized in a partnership, professional corporation, limited liability company, medical
155.9 foundation, nonprofit corporation, faculty practice plan, or other similar entity:

155.10 (1) in which each health care provider who is a member of the group provides
155.11 substantially the full range of services that a health care provider routinely provides, including
155.12 but not limited to medical care, consultation, diagnosis, and treatment, through the joint use
155.13 of shared office space, facilities, equipment, or personnel;

155.14 (2) for which substantially all services of the health care providers who are group
155.15 members are provided through the group and are billed in the name of the group practice
155.16 and amounts so received are treated as receipts of the group; or

155.17 (3) in which the overhead expenses of, and the income from, the group are distributed
155.18 in accordance with methods previously determined by members of the group.

155.19 An entity that otherwise meets the definition of health care provider group practice in this
155.20 paragraph shall be considered a health care provider group practice even if its shareholders,
155.21 partners, members, or owners include a single-health care provider professional corporation,
155.22 limited liability company, or another entity in which any beneficial owner is an individual
155.23 health care provider and which is formed to render professional services.

155.24 (h) "Hospital" means a health care facility licensed as a hospital under sections 144.50
155.25 to 144.56.

155.26 (i) "Medical foundation" means a nonprofit legal entity through which physicians or
155.27 other health care providers perform research or provide medical services.

155.28 (j) "Transaction" means a single action, or a series of actions within a five-year period,
155.29 that constitutes:

155.30 (1) a merger or exchange of a health care entity with another entity;

155.31 (2) the sale, lease, or transfer of 40 percent or more of the assets of a health care entity
155.32 to another entity;

156.1 (3) the granting of a security interest of 40 percent or more of the property and assets
156.2 of a health care entity to another entity;

156.3 (4) the transfer of 40 percent or more of the shares or other ownership of the health care
156.4 entity to another entity;

156.5 (5) an addition, removal, withdrawal, substitution, or other modification of one or more
156.6 members of the health care entity's governing body that transfers control, responsibility for,
156.7 or governance of the health care entity to another entity;

156.8 (6) the creation of a new health care entity;

156.9 (7) substantial investment of 40 percent or more in a health care entity that results in
156.10 sharing of revenues without a change in ownership or voting shares;

156.11 (8) an addition, removal, withdrawal, substitution, or other modification of the members
156.12 of a health care entity formed under chapter 317A that results in a change of 40 percent or
156.13 more of the membership of the health care entity; or

156.14 (9) any other transfer of control of a health care entity to, or acquisition of control of a
156.15 health care entity by, another entity.

156.16 A transaction does not include an action or series of actions which meets one or more of
156.17 the criteria set forth in clauses (1) to (9) if, immediately prior to all such actions, the health
156.18 care entity directly, or indirectly through one or more intermediaries, controls, or is controlled
156.19 by, or is under common control with, all other parties to the action or series of actions.

156.20 Subd. 2. **Notice required.** (a) This subdivision applies to all transactions where:

156.21 (1) the health care entity involved in the transaction has average revenue of at least
156.22 \$40,000,000 per year; or

156.23 (2) an entity created by the transaction is projected to have average revenue of at least
156.24 \$40,000,000 per year once the entity is operating at full capacity.

156.25 (b) A health care entity must provide notice to the attorney general and the commissioner
156.26 and comply with this subdivision before entering into a transaction. Notice must be provided
156.27 at least 90 days before the proposed completion date for the transaction.

156.28 (c) As part of the notice required under this subdivision, at least 90 days before the
156.29 proposed completion date of the transaction, a health care entity must affirmatively disclose
156.30 the following to the attorney general and the commissioner:

156.31 (1) the entities involved in the transaction;

- 157.1 (2) the leadership of the entities involved in the transaction, including all directors, board
157.2 members, and officers;
- 157.3 (3) the services provided by each entity and the attributed revenue for each entity by
157.4 location;
- 157.5 (4) the primary service area for each location;
- 157.6 (5) the proposed service area for each location;
- 157.7 (6) the current relationships between the entities and the health care providers and
157.8 practices affected, the locations of affected health care providers and practices, the services
157.9 provided by affected health care providers and practices, and the proposed relationships
157.10 between the entities and the health care providers and practices affected;
- 157.11 (7) the terms of the transaction agreement or agreements;
- 157.12 (8) the acquisition price;
- 157.13 (9) markets in which the entities expect postmerger synergies to produce a competitive
157.14 advantage;
- 157.15 (10) potential areas of expansion, whether in existing markets or new markets;
- 157.16 (11) plans to close facilities, reduce workforce, or reduce or eliminate services;
- 157.17 (12) the experts and consultants used to evaluate the transaction;
- 157.18 (13) the number of full-time equivalent positions at each location before and after the
157.19 transaction by job category, including administrative and contract positions; and
- 157.20 (14) any other information requested by the attorney general or commissioner.
- 157.21 (d) As part of the notice required under this subdivision, at least 90 days before the
157.22 proposed completion date of the transaction, a health care entity must affirmatively produce
157.23 the following to the attorney general and the commissioner:
- 157.24 (1) the current governing documents for all entities involved in the transaction and any
157.25 amendments to these documents;
- 157.26 (2) the transaction agreement or agreements and all related agreements;
- 157.27 (3) any collateral agreements related to the principal transaction, including leases,
157.28 management contracts, and service contracts;
- 157.29 (4) all expert or consultant reports or valuations conducted in evaluating the transaction,
157.30 including any valuation of the assets that are subject to the transaction prepared within three

158.1 years preceding the anticipated transaction completion date and any reports of financial or
158.2 economic analysis conducted in anticipation of the transaction;

158.3 (5) the results of any projections or modeling of health care utilization or financial
158.4 impacts related to the transaction, including but not limited to copies of reports by appraisers,
158.5 accountants, investment bankers, actuaries, and other experts;

158.6 (6) a financial and economic analysis and report prepared by an independent expert or
158.7 consultant on the effects of the transaction;

158.8 (7) an impact analysis report prepared by an independent expert or consultant on the
158.9 effects of the transaction on communities and the workforce, including any changes in
158.10 availability or accessibility of services;

158.11 (8) all documents reflecting the purposes of or restrictions on any related nonprofit
158.12 entity's charitable assets;

158.13 (9) copies of all filings submitted to federal regulators, including any Hart-Scott-Rodino
158.14 filing the entities submitted to the Federal Trade Commission in connection with the
158.15 transaction;

158.16 (10) a certification sworn under oath by each board member and chief executive officer
158.17 for any nonprofit entity involved in the transaction containing the following: an explanation
158.18 of how the completed transaction is in the public interest, addressing the factors in subdivision
158.19 5, paragraph (a); a disclosure of each declarant's compensation and benefits relating to the
158.20 transaction for the three years following the transaction's anticipated completion date; and
158.21 a disclosure of any conflicts of interest;

158.22 (11) audited and unaudited financial statements from all entities involved in the
158.23 transaction and tax filings for all entities involved in the transaction covering the preceding
158.24 five fiscal years; and

158.25 (12) any other information or documents requested by the attorney general or
158.26 commissioner.

158.27 (e) The attorney general may extend the notice and waiting period required under
158.28 paragraph (b) for an additional 90 days by notifying the health care entity in writing of the
158.29 extension.

158.30 (f) The attorney general may waive all or any part of the notice and waiting period
158.31 required under paragraph (b).

159.1 (g) The attorney general or the commissioner may hold public listening sessions or
159.2 forums to obtain input on the transaction from providers or community members who may
159.3 be impacted by the transaction.

159.4 (h) The attorney general or the commissioner may bring an action in district court to
159.5 compel compliance with the notice requirements in this subdivision.

159.6 Subd. 3. **Prohibited transactions.** No health care entity may enter into a transaction
159.7 that will:

159.8 (1) substantially lessen competition; or

159.9 (2) tend to create a monopoly or monopsony.

159.10 Subd. 4. **Additional requirements for nonprofit health care entities.** A health care
159.11 entity that is incorporated under chapter 317A or organized under section 322C.1101, or
159.12 that is a subsidiary of any such entity, must, before entering into a transaction, ensure that:

159.13 (1) the transaction complies with chapters 317A and 501B and other applicable laws;

159.14 (2) the transaction does not involve or constitute a breach of charitable trust;

159.15 (3) the nonprofit health care entity will receive full and fair value for its public benefit
159.16 assets, provided that this requirement is waived if application for waiver is made to the
159.17 attorney general and the attorney general determines a waiver from this requirement is in
159.18 the public interest;

159.19 (4) the value of the public benefit assets to be transferred has not been manipulated in
159.20 a manner that causes or has caused the value of the assets to decrease;

159.21 (5) the proceeds of the transaction will be used in a manner consistent with the public
159.22 benefit for which the assets are held by the nonprofit health care entity;

159.23 (6) the transaction will not result in a breach of fiduciary duty; and

159.24 (7) there are procedures and policies in place to prohibit any officer, director, trustee,
159.25 or other executive of the nonprofit health care entity from directly or indirectly benefiting
159.26 from the transaction.

159.27 Subd. 5. **Attorney general enforcement and supplemental authority.** (a) The attorney
159.28 general may bring an action in district court to enjoin or unwind a transaction or seek other
159.29 equitable relief necessary to protect the public interest if a health care entity or transaction
159.30 violates this section, if the transaction is contrary to the public interest, or if both a health
159.31 care entity or transaction violates this section and the transaction is contrary to the public

160.1 interest. Factors informing whether a transaction is contrary to the public interest include
160.2 but are not limited to whether the transaction:

160.3 (1) will harm public health;

160.4 (2) will reduce the affected community's continued access to affordable and quality care
160.5 and to the range of services historically provided by the entities or will prevent members
160.6 in the affected community from receiving a comparable or better patient experience;

160.7 (3) will have a detrimental impact on competing health care options within primary and
160.8 dispersed service areas;

160.9 (4) will reduce delivery of health care to disadvantaged, uninsured, underinsured, and
160.10 underserved populations and to populations enrolled in public health care programs;

160.11 (5) will have a substantial negative impact on medical education and teaching programs,
160.12 health care workforce training, or medical research;

160.13 (6) will have a negative impact on the market for health care services, health insurance
160.14 services, or skilled health care workers;

160.15 (7) will increase health care costs for patients; or

160.16 (8) will adversely impact provider cost trends and containment of total health care
160.17 spending.

160.18 (b) The attorney general may enforce this section under section 8.31.

160.19 (c) Failure of the entities involved in a transaction to provide timely information as
160.20 required by the attorney general or the commissioner shall be an independent and sufficient
160.21 ground for a court to enjoin or unwind the transaction or provide other equitable relief,
160.22 provided the attorney general notified the entities of the inadequacy of the information
160.23 provided and provided the entities with a reasonable opportunity to remedy the inadequacy.

160.24 (d) The attorney general shall consult with the commissioner to determine whether a
160.25 transaction is contrary to the public interest. Any information exchanged between the attorney
160.26 general and the commissioner according to this subdivision is confidential data on individuals
160.27 as defined in section 13.02, subdivision 3, or protected nonpublic data as defined in section
160.28 13.02, subdivision 13. The commissioner may share with the attorney general, according
160.29 to section 13.05, subdivision 9, any not public data, as defined in section 13.02, subdivision
160.30 8a, held by the Department of Health to aid in the investigation and review of the transaction,
160.31 and the attorney general must maintain this data with the same classification according to
160.32 section 13.03, subdivision 4, paragraph (d).

161.1 Subd. 6. Supplemental authority of commissioner. (a) Notwithstanding any law to
161.2 the contrary, the commissioner may use data or information submitted under this section,
161.3 section 62U.04, and sections 144.695 to 144.705 to conduct analyses of the aggregate impact
161.4 of health care transactions on access to or the cost of health care services, health care market
161.5 consolidation, and health care quality.

161.6 (b) The commissioner shall issue periodic public reports on the number and types of
161.7 transactions subject to this section and on the aggregate impact of transactions on health
161.8 care cost, quality, and competition in Minnesota.

161.9 Subd. 7. Relation to other law. (a) The powers and authority under this section are in
161.10 addition to, and do not affect or limit, all other rights, powers, and authority of the attorney
161.11 general or the commissioner under chapter 8, 309, 317A, 325D, 501B, or other law.

161.12 (b) Nothing in this section shall suspend any obligation imposed under chapter 8, 309,
161.13 317A, 325D, 501B, or other law on the entities involved in a transaction.

161.14 **EFFECTIVE DATE.** This section is effective the day following final enactment and
161.15 applies to transactions completed on or after that date. In determining whether a transaction
161.16 was completed on or after the effective date, any actions or series of actions necessary to
161.17 the completion of the transaction that occurred prior to the effective date must be considered.

161.18 Sec. 36. **[144.587] REQUIREMENTS FOR SCREENING FOR ELIGIBILITY FOR**
161.19 **HEALTH COVERAGE OR ASSISTANCE.**

161.20 Subdivision 1. Definitions. (a) The terms defined in this subdivision apply to this section
161.21 and sections 144.588 to 144.589.

161.22 (b) "Charity care" means the provision of free or discounted care to a patient according
161.23 to a hospital's financial assistance policies.

161.24 (c) "Hospital" means a private, nonprofit, or municipal hospital licensed under sections
161.25 144.50 to 144.56.

161.26 (d) "Insurance affordability program" has the meaning given in section 256B.02,
161.27 subdivision 19.

161.28 (e) "Navigator" has the meaning given in section 62V.02, subdivision 9.

161.29 (f) "Presumptive eligibility" has the meaning given in section 256B.057, subdivision
161.30 12.

161.31 (g) "Revenue recapture" means the use of the procedures in chapter 270A to collect debt.

162.1 (h) "Uninsured service or treatment" means any service or treatment that is not covered
162.2 by:

162.3 (1) a health plan, contract, or policy that provides health coverage to a patient; or

162.4 (2) any other type of insurance coverage, including but not limited to no-fault automobile
162.5 coverage, workers' compensation coverage, or liability coverage.

162.6 (i) "Unreasonable burden" includes requiring a patient to apply for enrollment in a state
162.7 or federal program for which the patient is obviously or categorically ineligible or has been
162.8 found to be ineligible in the previous 12 months.

162.9 Subd. 2. Screening. (a) A hospital participating in the hospital presumptive eligibility
162.10 program under section 256B.057, subdivision 12, must determine whether a patient who is
162.11 uninsured or whose insurance coverage status is not known by the hospital is eligible for
162.12 hospital presumptive eligibility coverage.

162.13 (b) For any uninsured patient, including any patient the hospital determines is eligible
162.14 for hospital presumptive eligibility coverage, and for any patient whose insurance coverage
162.15 status is not known to the hospital, a hospital must:

162.16 (1) if it is a certified application counselor organization, schedule an appointment for
162.17 the patient with a certified application counselor to occur prior to discharge unless the
162.18 occurrence of the appointment would delay discharge;

162.19 (2) if the occurrence of the appointment under clause (1) would delay discharge or if
162.20 the hospital is not a certified application counselor organization, schedule prior to discharge
162.21 an appointment for the patient with a MNsure-certified navigator to occur after discharge
162.22 unless the scheduling of an appointment would delay discharge; or

162.23 (3) if the scheduling of an appointment under clause (2) would delay discharge or if the
162.24 patient declines the scheduling of an appointment under clause (1) or (2), provide the patient
162.25 with contact information for available MNsure-certified navigators who can meet the needs
162.26 of the patient.

162.27 (c) For any uninsured patient, including any patient the hospital determines is eligible
162.28 for hospital presumptive eligibility coverage, and any patient whose insurance coverage
162.29 status is not known to the hospital, a hospital must screen the patient for eligibility for charity
162.30 care from the hospital. The hospital must attempt to complete the screening process for
162.31 charity care in person or by telephone within 30 days after the patient receives services at
162.32 the hospital or at the emergency department associated with the hospital.

163.1 Subd. 3. **Charity care.** (a) Upon completion of the screening process in subdivision 2,
163.2 paragraph (c), the hospital must determine whether the patient is ineligible or potentially
163.3 eligible for charity care. When a hospital evaluates a patient's eligibility for charity care,
163.4 hospital requests to the responsible party for verification of assets or income shall be limited
163.5 to:

163.6 (1) information that is reasonably necessary and readily available to determine eligibility;
163.7 and

163.8 (2) facts that are relevant to determine eligibility.

163.9 A hospital must not demand duplicate forms of verification of assets.

163.10 (b) If the patient is not ineligible for charity care, the hospital must assist the patient
163.11 with applying for charity care and refer the patient to the appropriate department in the
163.12 hospital for follow-up. A hospital may not impose application procedures for charity care
163.13 that place an unreasonable burden on the individual patient, taking into account the individual
163.14 patient's physical, mental, intellectual, or sensory deficiencies or language barriers that may
163.15 hinder the patient's ability to comply with application procedures.

163.16 (c) A hospital may not initiate any of the actions described in subdivision 4 while the
163.17 patient's application for charity care is pending.

163.18 Subd. 4. **Prohibited actions.** A hospital must not initiate one or more of the following
163.19 actions until the hospital determines that the patient is ineligible for charity care or denies
163.20 an application for charity care:

163.21 (1) offering to enroll or enrolling the patient in a payment plan;

163.22 (2) changing the terms of a patient's payment plan;

163.23 (3) offering the patient a loan or line of credit, application materials for a loan or line of
163.24 credit, or assistance with applying for a loan or line of credit, for the payment of medical
163.25 debt;

163.26 (4) referring a patient's debt for collections, including in-house collections, third-party
163.27 collections, revenue recapture, or any other process for the collection of debt;

163.28 (5) denying health care services to the patient or any member of the patient's household
163.29 because of outstanding medical debt, regardless of whether the services are deemed necessary
163.30 or may be available from another provider; or

163.31 (6) accepting a credit card payment of over \$500 for the medical debt owed to the hospital.

164.1 Subd. 5. **Notice.** (a) A hospital must post notice of the availability of charity care from
164.2 the hospital in at least the following locations: (1) areas of the hospital where patients are
164.3 admitted or registered; (2) emergency departments; and (3) the portion of the hospital's
164.4 financial services or billing department that is accessible to patients. The posted notice must
164.5 be in all languages spoken by more than five percent of the population in the hospital's
164.6 service area.

164.7 (b) A hospital must make available on the hospital's website the current version of the
164.8 hospital's charity care policy, a plain-language summary of the policy, and the hospital's
164.9 charity care application form. The summary and application form must be available in all
164.10 languages spoken by more than five percent of the population in the hospital's service area.

164.11 Subd. 6. **Patient may decline services.** A patient may decline to complete an insurance
164.12 affordability program application to schedule an appointment with a certified application
164.13 counselor, to schedule an appointment with a MNsure-certified navigator, to accept
164.14 information about navigator services, to participate in the charity care screening process,
164.15 or to apply for charity care.

164.16 Subd. 7. **Enforcement.** In addition to the enforcement of this section by the
164.17 commissioner, the attorney general may enforce this section under section 8.31.

164.18 **EFFECTIVE DATE.** This section is effective November 1, 2023, and applies to services
164.19 and treatments provided on or after that date.

164.20 Sec. 37. **[144.588] CERTIFICATION OF EXPERT REVIEW.**

164.21 Subdivision 1. **Requirement; action to collect medical debt or garnish wages or bank**
164.22 **accounts.** (a) In an action against a patient or guarantor for collection of medical debt owed
164.23 to a hospital or for garnishment of the patient's or guarantor's wages or bank accounts to
164.24 collect medical debt owed to a hospital, the hospital must serve on the defendant with the
164.25 summons and complaint an affidavit of expert review certifying that:

164.26 (1) unless the patient declined to participate, the hospital complied with the requirements
164.27 in section 144.587;

164.28 (2) there is a reasonable basis to believe that the patient owes the debt;

164.29 (3) all known third-party payors have been properly billed by the hospital, such that any
164.30 remaining debt is the financial responsibility of the patient, and the hospital will not bill the
164.31 patient for any amount that an insurance company is obligated to pay;

165.1 (4) the patient has been given a reasonable opportunity to apply for charity care, if the
165.2 facts and circumstances suggest that the patient may be eligible for charity care;

165.3 (5) where the patient has indicated an inability to pay the full amount of the debt in one
165.4 payment and provided reasonable verification of the inability to pay the full amount of the
165.5 debt in one payment if requested by the hospital, the hospital has offered the patient a
165.6 reasonable payment plan;

165.7 (6) there is no reasonable basis to believe that the patient's or guarantor's wages or funds
165.8 at a financial institution are likely to be exempt from garnishment; and

165.9 (7) in the case of a default judgment proceeding, there is not a reasonable basis to believe:

165.10 (i) that the patient may already consider that the patient has adequately answered the
165.11 complaint by calling or writing to the hospital, its debt collection agency, or its attorney;

165.12 (ii) that the patient is potentially unable to answer the complaint due to age, disability,
165.13 or medical condition; or

165.14 (iii) the patient may not have received service of the complaint.

165.15 (b) The affidavit of expert review must be completed by a designated employee of the
165.16 hospital seeking to initiate the action or garnishment.

165.17 Subd. 2. Requirement; referral to third-party debt collection agency. (a) In order to
165.18 refer a patient's account to a third-party debt collection agency, a hospital must complete
165.19 an affidavit of expert review certifying that:

165.20 (1) unless the patient declined to participate, the hospital complied with the requirements
165.21 in section 144.587;

165.22 (2) there is a reasonable basis to believe that the patient owes the debt;

165.23 (3) all known third-party payors have been properly billed by the hospital, such that any
165.24 remaining debt is the financial responsibility of the patient, and the hospital will not bill the
165.25 patient for any amount that an insurance company is obligated to pay;

165.26 (4) the patient has been given a reasonable opportunity to apply for charity care, if the
165.27 facts and circumstances suggest that the patient may be eligible for charity care; and

165.28 (5) where the patient has indicated an inability to pay the full amount of the debt in one
165.29 payment and provided reasonable verification of the inability to pay the full amount of the
165.30 debt in one payment if requested by the hospital, the hospital has offered the patient a
165.31 reasonable payment plan.

166.1 (b) The affidavit of expert review must be completed by a designated employee of the
166.2 hospital seeking to refer the patient's account to a third-party debt collection agency.

166.3 Subd. 3. **Penalty for noncompliance.** Failure to comply with subdivision 1 shall result,
166.4 upon motion, in mandatory dismissal with prejudice of the action to collect the medical
166.5 debt or to garnish the patient's or guarantor's wages or bank accounts. Failure to comply
166.6 with subdivision 2 shall subject a hospital to a fine assessed by the commissioner of health.
166.7 In addition to the enforcement of this section by the commissioner, the attorney general
166.8 may enforce this section under section 8.31.

166.9 Subd. 4. **Collection agency; immunity.** A collection agency, as defined in section
166.10 332.31, subdivision 3, is not required to verify the submission of an affidavit of expert
166.11 review or assess the validity of an affidavit of expert review. The collection agency is not
166.12 liable for a hospital's failure to comply with this section.

166.13 **EFFECTIVE DATE.** This section is effective November 1, 2023, and applies to actions
166.14 and referrals to third-party debt collection agencies stemming from services and treatments
166.15 provided on or after that date.

166.16 Sec. 38. **[144.589] BILLING OF UNINSURED PATIENTS.**

166.17 Subdivision 1. **Limits on charges.** A hospital must not charge a patient whose annual
166.18 household income is less than \$125,000 for any uninsured service or treatment in an amount
166.19 that exceeds the lowest total amount the provider would be reimbursed for that service or
166.20 treatment from a private insurer. The lowest total amount the provider would be reimbursed
166.21 for that service or treatment from a private insurer includes both the amount the provider
166.22 would be reimbursed directly from the private insurer and the amount the provider would
166.23 be reimbursed from the insured's policyholder under any applicable co-payments, deductibles,
166.24 and coinsurance.

166.25 Subd. 2. **Enforcement.** In addition to the enforcement of this section by the
166.26 commissioner, the attorney general may enforce this section under section 8.31.

166.27 **EFFECTIVE DATE.** This section is effective November 1, 2023, and applies to services
166.28 and treatments provided on or after that date.

166.29 Sec. 39. **[144.645] SUPPORTING HEALTHY DEVELOPMENT OF BABIES GRANT**
166.30 **PROGRAM.**

166.31 Subdivision 1. **Establishment.** The commissioner of health must establish a supporting
166.32 healthy development of babies grant program for community-driven training and education

167.1 on best practices for supporting healthy development of babies during pregnancy and
167.2 postpartum. The grant money must be used to build capacity in, train, educate, or improve
167.3 practices among individuals, from youth to elders, serving families with members who are
167.4 Black, Indigenous, or People of Color during pregnancy and postpartum.

167.5 Subd. 2. **Eligibility; application.** To be eligible for a grant under this section, applicants
167.6 must be a nonprofit organization. A nonprofit organization seeking a grant under this section
167.7 must apply to the commissioner at a time and in a manner specified by the commissioner.
167.8 The commissioner shall review each application to determine if the application is complete,
167.9 the nonprofit organization is eligible for a grant, and the proposed project is an allowable
167.10 use of grant funds. The commissioner must determine the grant amount awarded to applicants
167.11 that the commissioner determines will receive a grant.

167.12 Sec. 40. **[144.6504] ALZHEIMER'S DISEASE AND DEMENTIA CARE TRAINING**
167.13 **PROGRAM.**

167.14 (a) The commissioner of health, in collaboration with interested stakeholders, shall
167.15 develop and provide a training program for community health workers on recognizing and
167.16 understanding Alzheimer's disease and dementia. The training program may be conducted
167.17 either virtually or in person and must, at a minimum, include instruction on:

167.18 (1) recognizing the common warning signs of Alzheimer's disease and dementia;

167.19 (2) understanding how Alzheimer's disease and dementia affect communication and
167.20 behavior;

167.21 (3) recognizing potential safety risks for individuals living with dementia, including the
167.22 risks of wandering and elder abuse; and

167.23 (4) identifying appropriate techniques to communicate with individuals living with
167.24 dementia and how to appropriately respond to dementia-related behaviors.

167.25 (b) The commissioner shall work with the Minnesota State Colleges and University
167.26 System (MNSCU) to explore the possibility of including a training program that meets the
167.27 requirements of this section to the MNSCU-approved community health worker certification
167.28 program.

167.29 (c) Notwithstanding paragraph (a), if a training program already exists that meets the
167.30 requirements of this section, the commissioner may approve the existing training program
167.31 or programs instead of developing a new program, and, in collaboration with interested
167.32 stakeholders, ensure that the approved training program or programs are available to all
167.33 community health workers.

168.1 Sec. 41. Minnesota Statutes 2022, section 144.651, is amended by adding a subdivision
168.2 to read:

168.3 Subd. 10a. **Designated support person for pregnant patient.** (a) Subject to paragraph
168.4 (c), a health care provider and a health care facility must allow, at a minimum, one designated
168.5 support person of a pregnant patient's choosing to be physically present while the patient
168.6 is receiving health care services including during a hospital stay.

168.7 (b) For purposes of this subdivision, "designated support person" means any person
168.8 chosen by the patient to provide comfort to the patient including but not limited to the
168.9 patient's spouse, partner, family member, or another person related by affinity. Certified
168.10 doulas and traditional midwives may not be counted toward the limit of one designated
168.11 support person.

168.12 (c) Notwithstanding paragraph (a), a facility may restrict or prohibit the presence of one
168.13 or more designated support persons, on the facility premises or in certain locations within
168.14 the facility, if the facility determines that such restriction or prohibition is necessary to meet
168.15 the appropriate standard of care for medical practice, is in the best interests of the patient's
168.16 care or patient's safety, or is otherwise necessary to maintain a safe environment for patients,
168.17 guests, clinicians, and other staff of the facility. Any restriction or prohibition of a designated
168.18 support person by the facility is subject to the facility's written internal grievance procedure
168.19 required under subdivision 20.

168.20 Sec. 42. [144.88] **MENTAL HEALTH AND SUBSTANCE USE DISORDER**
168.21 **EDUCATION CENTER.**

168.22 Subdivision 1. **Establishment.** The Mental Health and Substance Use Disorder Education
168.23 Center is established in the Department of Health. The purpose of the center is to increase
168.24 the number of professionals, practitioners, and peers working in mental health and substance
168.25 use disorder treatment; increase the diversity of professionals, practitioners, and peers
168.26 working in mental health and substance use disorder treatment; and facilitate a culturally
168.27 informed and responsive mental health and substance use disorder treatment workforce.

168.28 Subd. 2. **Activities.** The Mental Health and Substance Use Disorder Education Center
168.29 must:

168.30 (1) analyze the geographic and demographic availability of licensed professionals in the
168.31 field, identify gaps, and prioritize the need for additional licensed professionals by type,
168.32 location, and demographics;

- 169.1 (2) create a program that exposes high school and college students to careers in the
169.2 mental health and substance use disorders field;
- 169.3 (3) create a website for individuals considering becoming a mental health provider that
169.4 clearly labels the steps necessary to achieve licensure and certification in the various mental
169.5 health fields and lists resources and links for more information;
- 169.6 (4) create a job board for organizations seeking employees to provide mental health and
169.7 substance use disorder treatment, services, and supports;
- 169.8 (5) track the number of students at the college and graduate level who are graduating
169.9 from programs that could facilitate a career as a mental health or substance use disorder
169.10 treatment practitioner or professional and work with the colleges and universities to support
169.11 the students in obtaining licensure;
- 169.12 (6) identify barriers to licensure and make recommendations to address the barriers;
- 169.13 (7) establish learning collaborative partnerships with mental health and substance use
169.14 disorder treatment providers, schools, criminal justice agencies, and others;
- 169.15 (8) promote and expand loan forgiveness programs, funds for professionals to become
169.16 supervisors, funding to pay for supervision, and funding for pathways to licensure;
- 169.17 (9) identify barriers to using loan forgiveness programs and develop recommendations
169.18 to address the barriers;
- 169.19 (10) work to expand Medicaid graduate medical education to other mental health
169.20 professionals;
- 169.21 (11) identify current sites for internships and practicums and assess the need for additional
169.22 sites;
- 169.23 (12) develop training for other health care professionals to increase their knowledge
169.24 about mental health and substance use disorders, including but not limited to community
169.25 health workers, pediatricians, primary care physicians, physician assistants, and nurses; and
- 169.26 (13) support training for integrated mental health and primary care in rural areas.
- 169.27 Subd. 3. **Reports.** Beginning January 1, 2024, the commissioner of health shall submit
169.28 an annual report to the chairs and ranking minority members of the legislative committees
169.29 with jurisdiction over health summarizing the center's activities and progress in addressing
169.30 the mental health and substance use disorder treatment workforce shortage.

170.1 Sec. 43. Minnesota Statutes 2022, section 144.9501, subdivision 9, is amended to read:

170.2 Subd. 9. **Elevated blood lead level.** "Elevated blood lead level" means a diagnostic
170.3 blood lead test with a result that is equal to or greater than ~~ten~~ 3.5 micrograms of lead per
170.4 deciliter of whole blood in any person, unless the commissioner finds that a lower
170.5 concentration is necessary to protect public health.

170.6 Sec. 44. [144.9821] ADVANCING HEALTH EQUITY THROUGH CAPACITY
170.7 BUILDING AND RESOURCE ALLOCATION.

170.8 Subdivision 1. Establishment of grant program. The commissioner of health shall:

170.9 (1) establish an annual grant program to award infrastructure capacity building grants
170.10 to help metro and rural community and faith-based organizations serving populations of
170.11 color, American Indian, LGBTQIA+, and those with disabilities in Minnesota who have
170.12 been disproportionately impacted by health and other inequities to be better equipped and
170.13 prepared for success in procuring grants and contracts at the department and addressing
170.14 inequities; and

170.15 (2) create a framework at the department to maintain equitable practices in grantmaking
170.16 to ensure that internal grantmaking and procurement policies and practices prioritize equity,
170.17 transparency, and accessibility to include:

170.18 (i) a tracking system for the department to better monitor and evaluate equitable
170.19 procurement and grantmaking processes and their impacts; and

170.20 (ii) technical assistance and coaching to department leadership in grantmaking and
170.21 procurement processes and programs and providing tools and guidance to ensure equitable
170.22 and transparent competitive grantmaking processes and award distribution across
170.23 communities most impacted by inequities and develop measures to track progress over time.

170.24 Subd. 2. Commissioner's duties. The commissioner of health shall:

170.25 (1) in consultation with community stakeholders, community health boards and Tribal
170.26 nations, develop a request for proposals for infrastructure capacity building grant program
170.27 to help community-based organizations, including faith-based organizations, to be better
170.28 equipped and prepared for success in procuring grants and contracts at the department and
170.29 beyond;

170.30 (2) provide outreach, technical assistance, and program development support to increase
170.31 capacity for new and existing community-based organizations and other service providers

171.1 in order to better meet statewide needs particularly in greater Minnesota and areas where
 171.2 services to reduce health disparities have not been established;

171.3 (3) in consultation with community stakeholders, review responses to requests for
 171.4 proposals and award of grants under this section;

171.5 (4) ensure communication with the ethnic councils, Minnesota Indian Affairs Council,
 171.6 Minnesota Council on Disability, and the governor's office on the request for proposal
 171.7 process;

171.8 (5) in consultation with community stakeholders, establish a transparent and objective
 171.9 accountability process focused on outcomes that grantees agree to achieve;

171.10 (6) maintain data on outcomes reported by grantees; and

171.11 (7) establish a process or mechanism to evaluate the success of the capacity building
 171.12 grant program and to build the evidence base for effective community-based organizational
 171.13 capacity building in reducing disparities.

171.14 Subd. 3. **Eligible grantees.** Organizations eligible to receive grant funding under this
 171.15 section include: organizations or entities that work with diverse communities such populations
 171.16 of color, American Indian, LGBTQIA+, and those with disabilities in metro and rural
 171.17 communities.

171.18 Subd. 4. **Strategic consideration and priority of proposals; eligible populations;**
 171.19 **grant awards.** (a) The commissioner, in consultation with community stakeholders, shall
 171.20 develop a request for proposals for equity in procurement and grantmaking capacity building
 171.21 grant program to help community-based organizations, including faith-based organizations
 171.22 to be better equipped and prepared for success in procuring grants and contracts at the
 171.23 department and addressing inequities.

171.24 (b) In awarding the grants, the commissioner shall provide strategic consideration and
 171.25 give priority to proposals from organizations or entities led by populations of color, American
 171.26 Indians and those serving communities of color, American Indians; LGBTQIA+, and
 171.27 disability communities.

171.28 Subd. 5. **Geographic distribution of grants.** The commissioner shall ensure that grant
 171.29 funds are prioritized and awarded to organizations and entities that are within counties that
 171.30 have a higher proportion of Black or African American, nonwhite Latino(a), LGBTQIA+,
 171.31 and disability communities to the extent possible.

171.32 Subd. 6. **Report.** Grantees must report grant program outcomes to the commissioner on
 171.33 the forms and according to the timelines established by the commissioner.

172.1 **Sec. 45. [144.9981] CLIMATE RESILIENCY.**

172.2 **Subdivision 1. Climate resiliency program.** The commissioner of health shall implement
172.3 a climate resiliency program to:

172.4 (1) increase awareness of climate change;

172.5 (2) track the public health impacts of climate change and extreme weather events;

172.6 (3) provide technical assistance and tools that support climate resiliency to local public
172.7 health, Tribal health, soil and water conservation districts, and other local governmental
172.8 and nongovernmental organizations; and

172.9 (4) coordinate with the commissioners of the pollution control agency, natural resources,
172.10 and agriculture and other state agencies in climate resiliency related planning and
172.11 implementation.

172.12 **Subd. 2. Grants authorized; allocation.** (a) The commissioner of health shall manage
172.13 a grant program for the purpose of climate resiliency planning. The commissioner shall
172.14 award grants through a request for proposals process to local public health, Tribal health,
172.15 soil and water conservation districts, or other local organizations for planning for the health
172.16 impacts of extreme weather events and developing adaptation actions. Priority shall be given
172.17 to organizations that serve communities that are disproportionately impacted by climate
172.18 change.

172.19 (b) Grantees must use the funds to develop a plan or implement strategies that will reduce
172.20 the risk of health impacts from extreme weather events. The grant application must include:

172.21 (1) a description of the plan or project for which the grant funds will be used;

172.22 (2) a description of the pathway between the plan or project and its impacts on health;

172.23 (3) a description of the objectives, a work plan, and a timeline for implementation; and

172.24 (4) the community or group the grant proposes to focus on.

172.25 **Sec. 46. [145.361] LONG COVID.**

172.26 **Subdivision 1. Definition.** For the purpose of this section, "long COVID" means health
172.27 problems that people experience four or more weeks after being infected with SARS-CoV-2,
172.28 the virus that causes COVID-19. Long COVID is also called post COVID conditions,
172.29 long-haul COVID, chronic COVID, post-acute COVID, or post-acute sequelae of COVID-19
172.30 (PASC).

173.1 Subd. 2. **Establishment.** The commissioner of health shall establish a program to conduct
173.2 community assessments and epidemiologic investigations to monitor and address impacts
173.3 of long COVID. The purposes of these activities are to:

173.4 (1) monitor trends in: incidence, prevalence, mortality, and health outcomes; care
173.5 management and costs; changes in disability status, employment, and quality of life; and
173.6 service needs of individuals with long COVID and to detect potential public health problems,
173.7 predict risks, and assist in investigating long COVID health inequities;

173.8 (2) more accurately target information and resources for communities and patients and
173.9 their families;

173.10 (3) inform health professionals and citizens about risks, early detection, and treatment
173.11 of long COVID known to be elevated in their communities; and

173.12 (4) promote evidence-based practices around long COVID prevention and management
173.13 and to address public concerns and questions about long COVID.

173.14 Subd. 3. **Partnerships.** The commissioner of health shall, in consultation with health
173.15 care professionals, the Department of Human Services, local public health, health insurers,
173.16 employers, schools, long COVID survivors, and community organizations serving people
173.17 at high risk of long COVID, identify priority actions and activities to address the needs for
173.18 communication, services, resources, tools, strategies, and policies to support long COVID
173.19 survivors and their families.

173.20 Subd. 4. **Grants and contracts.** The commissioner of health shall coordinate and
173.21 collaborate with community and organizational partners to implement evidence-informed
173.22 priority actions through community-based grants and contracts. The commissioner of health
173.23 shall award contracts and grants to organizations that serve communities disproportionately
173.24 impacted by COVID-19 and long COVID, including but not limited to rural and low-income
173.25 areas, Black and African Americans, African immigrants, American Indians, Asian
173.26 American-Pacific Islanders, Latino(a), LGBTQ+, and persons with disabilities. Organizations
173.27 may also address intersectionality within the groups. The commissioner shall award grants
173.28 and contracts to eligible organizations to plan, construct, and disseminate resources and
173.29 information to support survivors of long COVID, including caregivers, health care providers,
173.30 ancillary health care workers, workplaces, schools, communities, and local and Tribal public
173.31 health.

174.1 Sec. 47. [145.561] 988 SUICIDE AND CRISIS LIFELINE.

174.2 Subdivision 1. Definitions. (a) For purposes of this section, the following definitions
174.3 apply.

174.4 (b) "Commissioner" means the commissioner of health.

174.5 (c) "Department" means the Department of Health.

174.6 (d) "Lifeline center" means a state-identified center that is a member of the Suicide and
174.7 Crisis Lifeline network that responds to statewide or regional 988 contacts.

174.8 (e) "988" or "988 hotline" means the universal telephone number for the national suicide
174.9 prevention and mental health crisis hotline system within the United States operating through
174.10 the Suicide and Crisis Lifeline, or its successor, maintained by the assistant secretary for
174.11 mental health and substance use under section 520E-2 of the Public Health Service Act.

174.12 (f) "988 administrator" means the administrator of the 988 Suicide and Crisis Lifeline
174.13 maintained by the assistant secretary for mental health and substance use under section
174.14 520E-3 of the Public Health Service Act.

174.15 (g) "988 contact" means a communication with the 988 national suicide prevention and
174.16 mental health crisis hotline system within the United States via modalities offered that may
174.17 include call, chat, or text.

174.18 (h) "Veterans Crisis Line" means the Veterans Crisis Line maintained by the secretary
174.19 of veterans affairs under United States Code, title 38, section 170F(h).

174.20 Subd. 2. 988 hotline; lifeline centers. (a) The commissioner shall administer the
174.21 designation of and oversee a lifeline center or network of lifeline centers to answer 988
174.22 contacts from individuals accessing the Suicide and Crisis Lifeline from any location in
174.23 Minnesota 24 hours per day, seven days per week.

174.24 (b) The designated lifeline center or centers must:

174.25 (1) have an active agreement with the 988 administrator for participation within the
174.26 network and with the department;

174.27 (2) meet the 988 administrator's requirements and best practice guidelines for operational
174.28 and clinical standards;

174.29 (3) provide data, engage in reporting, and participate in evaluations and related quality
174.30 improvement activities as required by the 988 administrator and the department;

175.1 (4) identify or adapt technology that is demonstrated to be interoperable across crisis
175.2 and emergency response systems used in the state for the purpose of crisis care coordination;

175.3 (5) connect people to crisis response and outgoing services, including mobile crisis
175.4 teams, in accordance with guidelines established by the 988 administrator and the department
175.5 and in collaboration with the Department of Human Services;

175.6 (6) actively collaborate and coordinate service linkages with mental health and substance
175.7 use disorder treatment providers; local community mental health centers, including certified
175.8 community behavioral health clinics and community behavioral health centers; mobile crisis
175.9 teams; and emergency departments;

175.10 (7) offer follow-up services to individuals accessing the lifeline center that are consistent
175.11 with guidelines established by the 988 administrator and the department; and

175.12 (8) meet requirements set by the 988 administrator and the department for serving
175.13 high-risk and specialized populations and culturally or ethnically diverse populations.

175.14 (c) The commissioner shall use the commissioner's rulemaking authority to allow
175.15 appropriate information sharing and communication between and across crisis and emergency
175.16 response systems.

175.17 (d) The commissioner, having primary oversight of suicide prevention, shall work with
175.18 the Suicide and Crisis Lifeline, Veterans Crisis Line, and other SAMHSA-approved networks
175.19 to ensure consistency of public messaging about 988 services. The commissioner may
175.20 engage in activities to publicize and raise awareness about 988 services, or may provide
175.21 grants to other organizations for these purposes.

175.22 (e) The commissioner shall provide an annual report to the legislature on usage of the
175.23 988 hotline, including answer rates, rates of abandoned calls, and referral rates to 911
175.24 emergency response and to mental health crisis teams. Notwithstanding section 144.05,
175.25 subdivision 7, the reports required under this paragraph do not expire.

175.26 Subd. 3. **988 special revenue account.** (a) A 988 special revenue account is established
175.27 as a dedicated account in the special revenue fund to create and maintain a statewide 988
175.28 suicide prevention crisis system according to the National Suicide Hotline Designation Act
175.29 of 2020, the Federal Communications Commission's report and order FCC 20-100 adopted
175.30 July 16, 2020, and national guidelines for crisis care.

175.31 (b) The 988 special revenue account shall consist of:

175.32 (1) a 988 telecommunications fee imposed under subdivision 4;

- 176.1 (2) a prepaid wireless 988 fee imposed under section 403.161;
- 176.2 (3) transfers of state money into the account;
- 176.3 (4) grants and gifts intended for deposit in the account;
- 176.4 (5) interest, premiums, gains, and other earnings of the account; and
- 176.5 (6) money from any other source that is deposited in or transferred to the account.
- 176.6 (c) The account shall be administered by the commissioner. Money in the account shall
- 176.7 only be used to offset costs that are or may reasonably be attributed to:
- 176.8 (1) implementing, maintaining, and improving the 988 suicide and crisis lifeline, including
- 176.9 staff and technology infrastructure enhancements needed to achieve the operational standards
- 176.10 and best practices set forth by the 988 administrator and the department;
- 176.11 (2) data collection, reporting, participation in evaluations, public promotion, and related
- 176.12 quality improvement activities as required by the 988 administrator and the department;
- 176.13 and
- 176.14 (3) administration, oversight, and evaluation of the account.
- 176.15 (d) Money in the account:
- 176.16 (1) does not cancel at the end of any state fiscal year and is carried forward in subsequent
- 176.17 state fiscal years;
- 176.18 (2) is not subject to transfer to any other account or fund or to transfer, assignment, or
- 176.19 reassignment for any use or purpose other than the purposes specified in this subdivision;
- 176.20 and
- 176.21 (3) is appropriated to the commissioner for the purposes specified in this subdivision.
- 176.22 (e) The commissioner shall submit an annual report to the legislature and to the Federal
- 176.23 Communications Commission on deposits to and expenditures from the account.
- 176.24 Notwithstanding section 144.05, subdivision 7, the reports required under this paragraph
- 176.25 do not expire.
- 176.26 Subd. 4. **988 telecommunications fee.** (a) In compliance with the National Suicide
- 176.27 Hotline Designation Act of 2020, the commissioner shall impose a monthly statewide fee
- 176.28 on each subscriber of a wireline, wireless, or IP-enabled voice service at a rate that provides
- 176.29 for the robust creation, operation, and maintenance of a statewide 988 suicide prevention
- 176.30 and crisis system.

177.1 (b) The commissioner shall annually recommend to the Public Utilities Commission an
177.2 adequate and appropriate fee to implement this section. The amount of the fee must comply
177.3 with the limits in paragraph (c). The commissioner shall provide telecommunication service
177.4 providers and carriers a minimum of 30 days' notice of each fee change.

177.5 (c) The amount of the 988 telecommunications fee must not be less than 12 cents per
177.6 month and must not be more than 25 cents per month on or after January 1, 2024, for each
177.7 consumer access line, including trunk equivalents as designated by the commission pursuant
177.8 to section 403.11, subdivision 1. The 988 telecommunications fee must be the same for all
177.9 subscribers.

177.10 (d) Each wireline, wireless, and IP-enabled voice telecommunication service provider
177.11 shall collect the 988 telecommunications fee and transfer the amounts collected to the
177.12 commissioner of public safety in the same manner as provided in section 403.11, subdivision
177.13 1, paragraph (d).

177.14 (e) The commissioner of public safety shall deposit the money collected from the 988
177.15 telecommunications fee to the 988 special revenue account established in subdivision 3.

177.16 (f) All 988 telecommunications fee revenue must be used to supplement, and not supplant,
177.17 federal, state, and local funding for suicide prevention.

177.18 (g) The 988 telecommunications fee amount shall be adjusted as needed to provide for
177.19 continuous operation of the lifeline centers and 988 hotline, volume increases, and
177.20 maintenance.

177.21 (h) The commissioner shall annually report to the Federal Communications Commission
177.22 on revenue generated by the 988 telecommunications fee.

177.23 Subd. 5. **988 fee for prepaid wireless telecommunications services.** (a) The 988
177.24 telecommunications fee established in subdivision 4 does not apply to prepaid wireless
177.25 telecommunications services. Prepaid wireless telecommunications services are subject to
177.26 the prepaid wireless 988 fee established in section 403.161, subdivision 1, paragraph (c).

177.27 (b) Collection, remittance, and deposit of prepaid wireless 988 fees are governed by
177.28 sections 403.161 and 403.162.

177.29 Sec. 48. Minnesota Statutes 2022, section 145.87, subdivision 4, is amended to read:

177.30 Subd. 4. ~~Administrative costs~~ Administration. The commissioner may use up to seven
177.31 percent of the annual appropriation under this section to provide training and technical
177.32 assistance and to administer and evaluate the program. The commissioner may contract for

178.1 training, capacity-building support for grantees or potential grantees, technical assistance,
178.2 and evaluation support.

178.3 Sec. 49. **145.903] SCHOOL-BASED HEALTH CENTERS.**

178.4 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
178.5 the meanings given.

178.6 (b) "School-based health center" or "comprehensive school-based health center" means
178.7 a safety net health care delivery model that is located in or near a school facility and that
178.8 offers comprehensive health care, including preventive and behavioral health services,
178.9 provided by licensed and qualified health professionals in accordance with federal, state,
178.10 and local law. When not located on school property, the school-based health center must
178.11 have an established relationship with one or more schools in the community and operate to
178.12 primarily serve those student groups.

178.13 (c) "Sponsoring organization" means any of the following that operate a school-based
178.14 health center:

178.15 (1) health care providers;

178.16 (2) community clinics;

178.17 (3) hospitals;

178.18 (4) federally qualified health centers and look-alikes as defined in section 145.9269;

178.19 (5) health care foundations or nonprofit organizations;

178.20 (6) higher education institutions; or

178.21 (7) local health departments.

178.22 Subd. 2. **Expansion of Minnesota school-based health centers.** (a) The commissioner
178.23 of health shall administer a program to provide grants to school districts and school-based
178.24 health centers to support existing centers and facilitate the growth of school-based health
178.25 centers in Minnesota.

178.26 (b) Grant funds distributed under this subdivision shall be used to support new or existing
178.27 school-based health centers that:

178.28 (1) operate in partnership with a school or school district and with the permission of the
178.29 school or school district board;

178.30 (2) provide health services through a sponsoring organization that meets the requirements
178.31 in subdivision 1, paragraph (c); and

179.1 (3) provide health services to all students and youth within a school or school district,
179.2 regardless of ability to pay, insurance coverage, or immigration status, and in accordance
179.3 with federal, state, and local law.

179.4 (c) The commissioner of health shall administer a grant to a nonprofit organization to
179.5 facilitate a community of practice among school-based health centers to improve quality,
179.6 equity, and sustainability of care delivered through school-based health centers; encourage
179.7 cross-sharing among school-based health centers; support existing clinics; and expand
179.8 school-based health centers in new communities in Minnesota.

179.9 (d) Grant recipients shall report their activities and annual performance measures as
179.10 defined by the commissioner in a format and time specified by the commissioner.

179.11 (e) The commissioners of health and of education shall coordinate the projects and
179.12 initiatives funded under this section with other efforts at the local, state, or national level
179.13 to avoid duplication and promote coordinated efforts.

179.14 Subd. 3. **School-based health center services.** Services provided by a school-based
179.15 health center may include but are not limited to:

179.16 (1) preventive health care;

179.17 (2) chronic medical condition management, including diabetes and asthma care;

179.18 (3) mental health care and crisis management;

179.19 (4) acute care for illness and injury;

179.20 (5) oral health care;

179.21 (6) vision care;

179.22 (7) nutritional counseling;

179.23 (8) substance abuse counseling;

179.24 (9) referral to a specialist, medical home, or hospital for care;

179.25 (10) additional services that address social determinants of health; and

179.26 (11) emerging services such as mobile health and telehealth.

179.27 Subd. 4. **Sponsoring organizations.** A sponsoring organization that agrees to operate
179.28 a school-based health center must enter into a memorandum of agreement with the school
179.29 or school district. The memorandum of agreement must require the sponsoring organization
179.30 to be financially responsible for the operation of school-based health centers in the school
179.31 or school district and must identify the costs that are the responsibility of the school or

180.1 school district, such as Internet access, custodial services, utilities, and facility maintenance.
 180.2 To the greatest extent possible, a sponsoring organization must bill private insurers, medical
 180.3 assistance, and other public programs for services provided in the school-based health
 180.4 centers in order to maintain the financial sustainability of school-based health centers.

180.5 Sec. 50. Minnesota Statutes 2022, section 145.924, is amended to read:

180.6 **145.924 AIDS HIV PREVENTION GRANTS.**

180.7 (a) The commissioner may award grants to community health boards as defined in section
 180.8 145A.02, subdivision 5, state agencies, state councils, or nonprofit corporations to provide
 180.9 evaluation and counseling services to populations at risk for acquiring human
 180.10 immunodeficiency virus infection, including, but not limited to, ~~minorities~~ communities of
 180.11 color, adolescents, ~~intravenous drug users~~ women, people who inject drugs, and homosexual
 180.12 ~~men~~ gay, bisexual, and transgender individuals.

180.13 (b) The commissioner may award grants to agencies experienced in providing services
 180.14 to communities of color, for the design of innovative outreach and education programs for
 180.15 targeted groups within the community who may be at risk of acquiring the human
 180.16 immunodeficiency virus infection, including ~~intravenous drug users~~ people who inject drugs
 180.17 and their partners, adolescents, women, and gay and, bisexual, and transgender individuals
 180.18 ~~and women~~. Grants shall be awarded on a request for proposal basis and shall include funds
 180.19 for administrative costs. Priority for grants shall be given to agencies or organizations that
 180.20 have experience in providing service to the particular community which the grantee proposes
 180.21 to serve; that have policy makers representative of the targeted population; that have
 180.22 experience in dealing with issues relating to HIV/AIDS; and that have the capacity to deal
 180.23 effectively with persons of differing sexual orientations. For purposes of this paragraph,
 180.24 the "communities of color" are: the American-Indian community; the Hispanic community;
 180.25 the African-American community; and the Asian-Pacific Islander community.

180.26 (c) All state grants awarded under this section for programs targeted to adolescents shall
 180.27 include the promotion of abstinence from sexual activity and drug use.

180.28 (d) The commissioner shall administer a grant program to provide funds to organizations,
 180.29 including Tribal health agencies, to assist with HIV/AIDS outbreaks.

180.30 Sec. 51. **[145.9272] FEDERALLY QUALIFIED HEALTH CENTERS**
 180.31 **APPRENTICESHIP PROGRAM.**

180.32 Subdivision 1. Definitions. (a) The terms defined in this subdivision apply to this section.

181.1 (b) "Federally qualified health center" has the meaning given in section 145.9269,
181.2 subdivision 1.

181.3 (c) "Nonprofit organization of community health centers" means a nonprofit organization
181.4 the membership of which consists of federally qualified health centers operating service
181.5 delivery sites in Minnesota and that provides services to federally qualified health centers
181.6 in Minnesota to promote the delivery of affordable, quality, primary care services in the
181.7 state.

181.8 Subd. 2. **Apprenticeship program.** The commissioner of health shall distribute a grant
181.9 to a nonprofit organization of community health centers for an apprenticeship program in
181.10 federally qualified health centers operating in Minnesota. Grant funds shall be used to
181.11 establish and fund ongoing costs for apprenticeship programs for medical assistants and
181.12 dental assistants at federally qualified health center service delivery sites in Minnesota. An
181.13 apprenticeship program funded under this section shall be a 12-month program led by
181.14 certified medical assistants and licensed dental assistants. Trainees for an apprenticeship
181.15 program shall be recruited from federally qualified health center staff and from the population
181.16 in the geographic area served by the federally qualified health center.

181.17 Sec. 52. **[145.9275] SKIN-LIGHTENING PRODUCTS PUBLIC AWARENESS AND**
181.18 **EDUCATION GRANT PROGRAM.**

181.19 Subdivision 1. **Grant program.** The commissioner of health shall award grants through
181.20 a request for proposal process to community-based organizations that serve ethnic
181.21 communities and focus on public health outreach to Black and people of color communities
181.22 on the issues of colorism, skin-lightening products, and chemical exposures from these
181.23 products. Priority in awarding grants shall be given to organizations that have historically
181.24 provided services to ethnic communities on the skin-lightening and chemical exposure issue
181.25 for the past four years.

181.26 Subd. 2. **Uses of grant funds.** Grant recipients must use grant funds awarded under this
181.27 section to conduct public awareness and education activities that are culturally specific and
181.28 community-based and that focus on:

181.29 (1) increasing public awareness and providing education on the health dangers associated
181.30 with using skin-lightening creams and products that contain mercury and hydroquinone and
181.31 are manufactured in other countries, brought into this country, and sold illegally online or
181.32 in stores; the dangers of exposure to mercury through dermal absorption, inhalation,
181.33 hand-to-mouth contact, and contact with individuals who have used these skin-lightening
181.34 products; the health effects of mercury poisoning, including the permanent effects on the

182.1 central nervous system and kidneys; and the dangers to mothers and infants of using these
 182.2 products or being exposed to these products during pregnancy and while breastfeeding;

182.3 (2) identifying products that contain mercury and hydroquinone by testing skin-lightening
 182.4 products;

182.5 (3) developing a train the trainer curriculum to increase community knowledge and
 182.6 influence behavior changes by training community leaders, cultural brokers, community
 182.7 health workers, and educators;

182.8 (4) continuing to build the self-esteem and overall wellness of young people who are
 182.9 using skin-lightening products or are at risk of starting the practice of skin lightening; and

182.10 (5) building the capacity of community-based organizations to continue to combat
 182.11 skin-lightening practices and chemical exposure.

182.12 **Sec. 53. [145.9571] HEALTHY BEGINNINGS, HEALTHY FAMILIES ACT.**

182.13 Subdivision 1. **Purpose.** The purpose of the Healthy Beginnings, Healthy Families Act
 182.14 is to build equitable, inclusive, and culturally and linguistically responsive systems that
 182.15 ensure the health and well-being of young children and their families by supporting the
 182.16 Minnesota perinatal quality collaborative, establishing the Minnesota partnership to prevent
 182.17 infant mortality, increasing access to culturally relevant developmental and social-emotional
 182.18 screening with follow-up, and sustaining and expanding the model jail practices for children
 182.19 of incarcerated parents in Minnesota jails.

182.20 Subd. 2. **Minnesota perinatal quality collaborative.** The Minnesota perinatal quality
 182.21 collaborative is established to improve pregnancy outcomes for pregnant people and
 182.22 newborns through efforts to:

182.23 (1) advance evidence-based and evidence-informed clinics and other health service
 182.24 practices and processes through quality care review, chart audits, and continuous quality
 182.25 improvement initiatives that enable equitable outcomes;

182.26 (2) review current data, trends, and research on best practices to inform and prioritize
 182.27 quality improvement initiatives;

182.28 (3) identify methods that incorporate antiracism into individual practice and organizational
 182.29 guidelines in the delivery of perinatal health services;

182.30 (4) support quality improvement initiatives to address substance use disorders in pregnant
 182.31 people and infants with neonatal abstinence syndrome or other effects of substance use;

183.1 (5) provide a forum to discuss state-specific system and policy issues to guide quality
183.2 improvement efforts that improve population-level perinatal outcomes;

183.3 (6) reach providers and institutions in a multidisciplinary, collaborative, and coordinated
183.4 effort across system organizations to reinforce a continuum of care model; and

183.5 (7) support health care facilities in monitoring interventions through rapid data collection
183.6 and applying system changes to provide improved care in perinatal health.

183.7 Subd. 3. **Eligible organizations.** The commissioner of health shall make a grant to a
183.8 nonprofit organization to create or sustain a multidisciplinary network of representatives
183.9 of health care systems, health care providers, academic institutions, local and state agencies,
183.10 and community partners that will collaboratively improve pregnancy and infant outcomes
183.11 through evidence-based, population-level quality improvement initiatives.

183.12 Subd. 4. **Grants authorized.** The commissioner shall award one grant to a nonprofit
183.13 organization to support efforts that improve maternal and infant health outcomes aligned
183.14 with the purpose outlined in subdivision 2. The commissioner shall give preference to a
183.15 nonprofit organization that has the ability to provide these services throughout the state.
183.16 The commissioner shall provide content expertise to the grant recipient to further the
183.17 accomplishment of the purpose.

183.18 Subd. 5. **Minnesota partnership to prevent infant mortality program.** (a) The
183.19 commissioner of health shall establish the Minnesota partnership to prevent infant mortality
183.20 program that is a statewide partnership program to engage communities, exchange best
183.21 practices, share summary data on infant health, and promote policies to improve birth
183.22 outcomes and eliminate preventable infant mortality.

183.23 (b) The goal of the Minnesota partnership to prevent infant mortality program is to:

183.24 (1) build a statewide multisectoral partnership including the state government, local
183.25 public health agencies, Tribes, private sector, and community nonprofit organizations with
183.26 the shared goal of decreasing infant mortality rates among populations with significant
183.27 disparities, including among Black, American Indian, other nonwhite communities, and
183.28 rural populations;

183.29 (2) address the leading causes of poor infant health outcomes such as premature birth,
183.30 infant sleep-related deaths, and congenital anomalies through strategies to change social
183.31 and environmental determinants of health; and

183.32 (3) promote the development, availability, and use of data-informed, community-driven
183.33 strategies to improve infant health outcomes.

184.1 Subd. 5a. **Grants authorized.** (a) The commissioner of health shall award grants to
184.2 eligible applicants to convene, coordinate, and implement data-driven strategies and culturally
184.3 relevant activities to improve infant health by reducing preterm birth, sleep-related infant
184.4 deaths, and congenital malformations and address social and environmental determinants
184.5 of health. Grants shall be awarded to support community nonprofit organizations, Tribal
184.6 governments, and community health boards. In accordance with available funding, grants
184.7 shall be noncompetitively awarded to the eleven sovereign Tribal governments if their
184.8 respective proposals demonstrate the ability to implement programs designed to achieve
184.9 the purposes in subdivision 2 and meet other requirements of this section. An eligible
184.10 applicant must submit a complete application to the commissioner of health by the deadline
184.11 established by the commissioner. The commissioner shall award all other grants competitively
184.12 to eligible applicants in metropolitan and rural areas of the state and may consider geographic
184.13 representation in grant awards.

184.14 (b) Grantee activities shall:

184.15 (1) address the leading cause or causes of infant mortality;

184.16 (2) be based on community input;

184.17 (3) focus on policy, systems, and environmental changes that support infant health; and

184.18 (4) address the health disparities and inequities that are experienced in the grantee's
184.19 community.

184.20 (c) The commissioner shall review each application to determine whether the application
184.21 is complete and whether the applicant and the project are eligible for a grant. In evaluating
184.22 applications according to subdivision 2, the commissioner shall establish criteria including
184.23 but not limited to: the eligibility of the applicant's project under this section; the applicant's
184.24 thoroughness and clarity in describing the infant health issues grant funds are intended to
184.25 address; a description of the applicant's proposed project; the project's likelihood to achieve
184.26 the grant's purposes as described in this section; a description of the population demographics
184.27 and service area of the proposed project; and evidence of efficiencies and effectiveness
184.28 gained through collaborative efforts.

184.29 (d) Grant recipients shall report their activities to the commissioner in a format and at
184.30 a time specified by the commissioner.

184.31 Subd. 5b. **Technical assistance.** (a) The commissioner shall provide content expertise,
184.32 technical expertise, training to grant recipients, and advice on data-driven strategies.

185.1 (b) For the purposes of carrying out the grant program under subdivision 5, including
185.2 for administrative purposes, the commissioner shall award contracts to appropriate entities
185.3 to assist in training and provide technical assistance to grantees.

185.4 (c) Contracts awarded under paragraph (b) may be used to provide technical assistance
185.5 and training in the areas of:

185.6 (1) partnership development and capacity building;

185.7 (2) Tribal support;

185.8 (3) implementation support for specific infant health strategies;

185.9 (4) communications by convening and sharing lessons learned; and

185.10 (5) health equity.

185.11 Subd. 6. **Developmental and social-emotional screening with follow-up.** The goal of
185.12 the developmental and social-emotional screening is to identify young children at risk for
185.13 developmental and behavioral concerns and provide follow-up services to connect families
185.14 and young children to appropriate community-based resources and programs. The
185.15 commissioner of health shall work with the commissioners of human services and education
185.16 to implement this section and promote interagency coordination with other early childhood
185.17 programs including those that provide screening and assessment.

185.18 Subd. 6a. **Duties.** The commissioner shall:

185.19 (1) increase the awareness of developmental and social-emotional screening with
185.20 follow-up in coordination with community and state partners;

185.21 (2) expand existing electronic screening systems to administer developmental and
185.22 social-emotional screening to children birth to kindergarten entrance;

185.23 (3) provide screening for developmental and social-emotional delays based on current
185.24 recommended best practices;

185.25 (4) review and share the results of the screening with the parent or guardian. Support
185.26 families in their role as caregivers by providing anticipatory guidance around typical growth
185.27 and development;

185.28 (5) ensure children and families are referred to and linked with appropriate
185.29 community-based services and resources when any developmental or social-emotional
185.30 concerns are identified through screening; and

186.1 (6) establish performance measures and collect, analyze, and share program data regarding
186.2 population-level outcomes of developmental and social-emotional screening, referrals to
186.3 community-based services, and follow-up services.

186.4 Subd. 6b. **Grants authorized.** The commissioner shall award grants to community-based
186.5 organizations, community health boards, and Tribal nations to support follow-up services
186.6 for children with developmental or social-emotional concerns identified through screening
186.7 in order to link children and their families to appropriate community-based services and
186.8 resources. Grants shall also be awarded to community-based organizations to train and
186.9 utilize cultural liaisons to help families navigate the screening and follow-up process in a
186.10 culturally and linguistically responsive manner. The commissioner shall provide technical
186.11 assistance, content expertise, and training to grant recipients to ensure that follow-up services
186.12 are effectively provided.

186.13 Subd. 7. **Model jail practices for incarcerated parents.** (a) The commissioner of health
186.14 may make special grants to counties and groups of counties to implement model jail practices
186.15 and to county governments, Tribal governments, or nonprofit organizations in corresponding
186.16 geographic areas to build partnerships with county jails to support children of incarcerated
186.17 parents and their caregivers.

186.18 (b) "Model jail practices" means a set of practices that correctional administrators can
186.19 implement to remove barriers that may prevent children from cultivating or maintaining
186.20 relationships with their incarcerated parents during and immediately after incarceration
186.21 without compromising safety or security of the correctional facility.

186.22 Subd. 7a. **Grants authorized; model jail practices.** (a) The commissioner of health
186.23 shall award grants to eligible county jails to implement model jail practices and separate
186.24 grants to county governments, Tribal governments, or nonprofit organizations in
186.25 corresponding geographic areas to build partnerships with county jails to support children
186.26 of incarcerated parents and their caregivers.

186.27 (b) Grantee activities include but are not limited to:

186.28 (1) parenting classes or groups;

186.29 (2) family-centered intake and assessment of inmate programs;

186.30 (3) family notification, information, and communication strategies;

186.31 (4) correctional staff training;

186.32 (5) policies and practices for family visits; and

187.1 (6) family-focused reentry planning.

187.2 (c) Grant recipients shall report their activities to the commissioner in a format and at a
187.3 time specified by the commissioner.

187.4 Subd. 7b. **Technical assistance and oversight; model jail practices.** (a) The
187.5 commissioner shall provide content expertise, training to grant recipients, and advice on
187.6 evidence-based strategies, including evidence-based training to support incarcerated parents.

187.7 (b) For the purposes of carrying out the grant program under subdivision 7a, including
187.8 for administrative purposes, the commissioner shall award contracts to appropriate entities
187.9 to assist in training and provide technical assistance to grantees.

187.10 (c) Contracts awarded under paragraph (b) may be used to provide technical assistance
187.11 and training in the areas of:

187.12 (1) evidence-based training for incarcerated parents;

187.13 (2) partnership building and community engagement;

187.14 (3) evaluation of process and outcomes of model jail practices; and

187.15 (4) expert guidance on reducing the harm caused to children of incarcerated parents and
187.16 application of model jail practices.

187.17 Sec. 54. **[145.987] HEALTH EQUITY ADVISORY AND LEADERSHIP (HEAL)**
187.18 **COUNCIL.**

187.19 Subdivision 1. **Establishment; composition of advisory council.** The commissioner
187.20 shall establish and appoint a health equity advisory and leadership (HEAL) council to
187.21 provide guidance to the commissioner of health regarding strengthening and improving the
187.22 health of communities most impacted by health inequities across the state. The council shall
187.23 consist of 18 members who will provide representation from the following groups:

187.24 (1) African American and African heritage communities;

187.25 (2) Asian American and Pacific Islander communities;

187.26 (3) Latina/o/x communities;

187.27 (4) American Indian communities and Tribal governments and nations;

187.28 (5) disability communities;

187.29 (6) lesbian, gay, bisexual, transgender, and queer (LGBTQ) communities; and

187.30 (7) representatives who reside outside the seven-county metropolitan area.

188.1 Subd. 2. **Organization and meetings.** The advisory council shall be organized and
188.2 administered under section 15.059. Meetings shall be held at least quarterly and hosted by
188.3 the department. Subcommittees may be convened as necessary. Advisory council meetings
188.4 are subject to the open meeting law under chapter 13D.

188.5 Subd. 3. **Duties.** The advisory council shall:

188.6 (1) advise the commissioner on health equity issues and the health equity priorities and
188.7 concerns of the populations specified in subdivision 1;

188.8 (2) assist the agency in efforts to advance health equity, including consulting in specific
188.9 agency policies and programs, providing ideas and input about potential budget and policy
188.10 proposals, and recommending review of agency policies, standards, or procedures that may
188.11 create or perpetuate health inequities; and

188.12 (3) assist the agency in developing and monitoring meaningful performance measures
188.13 related to advancing health equity.

188.14 Subd. 4. **Expiration.** The advisory council shall remain in existence until health inequities
188.15 in the state are eliminated. Health inequities will be considered eliminated when race,
188.16 ethnicity, income, gender, gender identity, geographic location, or other identity or social
188.17 marker will no longer be predictors of health outcomes in the state. Section 145.928 describes
188.18 nine health disparities that must be considered when determining whether health inequities
188.19 have been eliminated in the state.

188.20 Sec. 55. **[145.988] COMPREHENSIVE AND COLLABORATIVE RESOURCE AND**
188.21 **REFERRAL SYSTEM FOR CHILDREN.**

188.22 Subdivision 1. **Establishment; purpose.** The commissioner shall establish the
188.23 Comprehensive and Collaborative Resource and Referral System for Children to support a
188.24 comprehensive, collaborative resource and referral system for children from prenatal through
188.25 age eight, and their families. The commissioner of health shall work collaboratively with
188.26 the commissioners of human services and education to implement this section.

188.27 Subd. 2. **Duties.** (a) The Help Me Connect system shall facilitate collaboration across
188.28 sectors, including child health, early learning and education, child welfare, and family
188.29 supports by:

188.30 (1) providing early childhood provider outreach to support knowledge of and access to
188.31 local resources that provide early detection and intervention services;

189.1 (2) identifying and providing access to early childhood and family support navigation
189.2 specialists that can support families and their children's needs; and

189.3 (3) linking children and families to appropriate community-based services.

189.4 (b) The Help Me Connect system shall provide community outreach that includes support
189.5 for, and participation in, the Help Me Connect system, including disseminating information
189.6 on the system and compiling and maintaining a current resource directory that includes but
189.7 is not limited to primary and specialty medical care providers; early childhood education
189.8 and child care programs; developmental disabilities assessment and intervention programs;
189.9 mental health services; family and social support programs; child advocacy and legal services;
189.10 public health services and resources; and other appropriate early childhood information.

189.11 (c) The Help Me Connect system shall maintain a centralized access point for parents
189.12 and professionals to obtain information, resources, and other support services.

189.13 (d) The Help Me Connect system shall collect data to increase understanding of the
189.14 current and ongoing system of support and resources for expectant families and children
189.15 through age eight and their families, including identification of gaps in service, barriers to
189.16 finding and receiving appropriate services, and lack of resources.

189.17 Sec. 56. Minnesota Statutes 2022, section 151.74, subdivision 3, is amended to read:

189.18 **Subd. 3. Access to urgent-need insulin.** (a) MNsure shall develop an application form
189.19 to be used by an individual who is in urgent need of insulin. The application must ask the
189.20 individual to attest to the eligibility requirements described in subdivision 2. The form shall
189.21 be accessible through MNsure's website. MNsure shall also make the form available to
189.22 pharmacies and health care providers who prescribe or dispense insulin, hospital emergency
189.23 departments, urgent care clinics, and community health clinics. By submitting a completed,
189.24 signed, and dated application to a pharmacy, the individual attests that the information
189.25 contained in the application is correct.

189.26 (b) If the individual is in urgent need of insulin, the individual may present a completed,
189.27 signed, and dated application form to a pharmacy. The individual must also:

189.28 (1) have a valid insulin prescription; and

189.29 (2) present the pharmacist with identification indicating Minnesota residency in the form
189.30 of a valid Minnesota identification card, driver's license or permit, individual taxpayer
189.31 identification number, or Tribal identification card as defined in section 171.072, paragraph

189.32 (b). If the individual in urgent need of insulin is under the age of 18, the individual's parent
189.33 or legal guardian must provide the pharmacist with proof of residency.

190.1 (c) Upon receipt of a completed and signed application, the pharmacist shall dispense
190.2 the prescribed insulin in an amount that will provide the individual with a 30-day supply.
190.3 The pharmacy must notify the health care practitioner who issued the prescription order no
190.4 later than 72 hours after the insulin is dispensed.

190.5 (d) The pharmacy may submit to the manufacturer of the dispensed insulin product or
190.6 to the manufacturer's vendor a claim for payment that is in accordance with the National
190.7 Council for Prescription Drug Program standards for electronic claims processing, unless
190.8 the manufacturer agrees to send to the pharmacy a replacement supply of the same insulin
190.9 as dispensed in the amount dispensed. If the pharmacy submits an electronic claim to the
190.10 manufacturer or the manufacturer's vendor, the manufacturer or vendor shall reimburse the
190.11 pharmacy in an amount that covers the pharmacy's acquisition cost.

190.12 (e) The pharmacy may collect an insulin co-payment from the individual to cover the
190.13 pharmacy's costs of processing and dispensing in an amount not to exceed \$35 for the 30-day
190.14 supply of insulin dispensed.

190.15 (f) The pharmacy shall also provide each eligible individual with the information sheet
190.16 described in subdivision 7 and a list of trained navigators provided by the Board of Pharmacy
190.17 for the individual to contact if the individual is in need of accessing ongoing insulin coverage
190.18 options, including assistance in:

190.19 (1) applying for medical assistance or MinnesotaCare;

190.20 (2) applying for a qualified health plan offered through MNsure, subject to open and
190.21 special enrollment periods;

190.22 (3) accessing information on providers who participate in prescription drug discount
190.23 programs, including providers who are authorized to participate in the 340B program under
190.24 section 340b of the federal Public Health Services Act, United States Code, title 42, section
190.25 256b; and

190.26 (4) accessing insulin manufacturers' patient assistance programs, co-payment assistance
190.27 programs, and other foundation-based programs.

190.28 (g) The pharmacist shall retain a copy of the application form submitted by the individual
190.29 to the pharmacy for reporting and auditing purposes.

191.1 Sec. 57. [245.4664] MENTAL HEALTH PROFESSIONAL SCHOLARSHIP GRANT
191.2 PROGRAM.

191.3 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
191.4 the meanings given.

191.5 (b) "Mental health professional" means an individual with a qualification specified in
191.6 section 245I.04, subdivision 2.

191.7 (c) "Underrepresented community" has the meaning given in section 148E.010,
191.8 subdivision 20.

191.9 Subd. 2. Grant program established. The mental health professional scholarship
191.10 program is established in the Department of Human Services to assist mental health providers
191.11 in funding employee scholarships for master's degree-level education programs in order to
191.12 create a pathway to becoming a mental health professional.

191.13 Subd. 3. Provision of grants. The commissioner of human services shall award grants
191.14 to licensed or certified mental health providers who meet the criteria in subdivision 4 to
191.15 provide tuition reimbursement for master's degree-level programs and certain related costs
191.16 for individuals who have worked for the mental health provider for at least the past two
191.17 years in one or more of the following roles:

191.18 (1) a mental health behavioral aide who meets a qualification in section 245I.04,
191.19 subdivision 16;

191.20 (2) a mental health certified family peer specialist who meets the qualifications in section
191.21 245I.04, subdivision 12;

191.22 (3) a mental health certified peer specialist who meets the qualifications in section
191.23 245I.04, subdivision 10;

191.24 (4) a mental health practitioner who meets a qualification in section 245I.04, subdivision
191.25 4;

191.26 (5) a mental health rehabilitation worker who meets the qualifications in section 245I.04,
191.27 subdivision 14;

191.28 (6) an individual employed in a role in which the individual provides face-to-face client
191.29 services at a mental health center or certified community behavioral health center; or

191.30 (7) a staff person who provides care or services to residents of a residential treatment
191.31 facility.

192.1 Subd. 4. **Eligibility.** In order to be eligible for a grant under this section, a mental health
192.2 provider must:

192.3 (1) primarily provide at least 25 percent of the provider's yearly patient encounters to
192.4 state public program enrollees or patients receiving sliding fee schedule discounts through
192.5 a formal sliding fee schedule meeting the standards established by the United States
192.6 Department of Health and Human Services under Code of Federal Regulations, title 42,
192.7 section 51c.303; or

192.8 (2) primarily serve people from communities of color or underrepresented communities.

192.9 Subd. 5. **Request for proposals.** The commissioner must publish a request for proposals
192.10 in the State Register specifying provider eligibility requirements, criteria for a qualifying
192.11 employee scholarship program, provider selection criteria, documentation required for
192.12 program participation, the maximum award amount, and methods of evaluation. The
192.13 commissioner must publish additional requests for proposals each year in which funding is
192.14 available for this purpose.

192.15 Subd. 6. **Application requirements.** An eligible provider seeking a grant under this
192.16 section must submit an application to the commissioner. An application must contain a
192.17 complete description of the employee scholarship program being proposed by the applicant,
192.18 including the need for the mental health provider to enhance the education of its workforce,
192.19 the process the mental health provider will use to determine which employees will be eligible
192.20 for scholarships, any other funding sources for scholarships, the amount of funding sought
192.21 for the scholarship program, a proposed budget detailing how funds will be spent, and plans
192.22 to retain eligible employees after completion of the education program.

192.23 Subd. 7. **Selection process.** The commissioner shall determine a maximum award amount
192.24 for grants and shall select grant recipients based on the information provided in the grant
192.25 application, including the demonstrated need for the applicant provider to enhance the
192.26 education of its workforce, the proposed process to select employees for scholarships, the
192.27 applicant's proposed budget, and other criteria as determined by the commissioner. The
192.28 commissioner shall give preference to grant applicants who work in rural or culturally
192.29 specific organizations.

192.30 Subd. 8. **Grant agreements.** Notwithstanding any law or rule to the contrary, grant
192.31 money awarded to a grant recipient in a grant agreement does not lapse until the grant
192.32 agreement expires.

192.33 Subd. 9. **Allowable uses of grant funds.** A mental health provider receiving a grant
192.34 under this section must use the grant funds for one or more of the following:

193.1 (1) to provide employees with tuition reimbursement for a master's degree-level program
 193.2 in a discipline that will allow the employee to qualify as a mental health professional; or
 193.3 (2) for resources and supports, such as child care and transportation, that allow an
 193.4 employee to attend a master's degree-level program specified in clause (1).

193.5 Subd. 10. **Reporting requirements.** A mental health provider receiving a grant under
 193.6 this section must submit an invoice for reimbursement and a report to the commissioner on
 193.7 a schedule determined by the commissioner and using a form supplied by the commissioner.
 193.8 The report must include the amount spent on scholarships; the number of employees who
 193.9 received scholarships; and, for each scholarship recipient, the recipient's name, current
 193.10 position, amount awarded, educational institution attended, name of the educational program,
 193.11 and expected or actual program completion date.

193.12 Sec. 58. Minnesota Statutes 2022, section 256B.0625, subdivision 49, is amended to read:

193.13 Subd. 49. **Community health worker.** (a) Medical assistance covers the care
 193.14 coordination and patient education services provided by a community health worker if the
 193.15 community health worker has received a certificate from the Minnesota State Colleges and
 193.16 Universities System approved community health worker curriculum.

193.17 (b) Community health workers must work under the supervision of a medical assistance
 193.18 enrolled physician, registered nurse, advanced practice registered nurse, physician assistant,
 193.19 mental health professional, or dentist, or work under the supervision of a certified public
 193.20 health nurse operating under the direct authority of an enrolled unit of government.

193.21 (c) Effective January 1, 2026, community health workers who are eligible for payment
 193.22 under this subdivision who are providing care coordination or patient education services in
 193.23 an adult day care, respite care, or in-home care setting must complete a training program
 193.24 in Alzheimer's disease and dementia care that has been developed or approved by the
 193.25 commissioner of health, in accordance with section 144.6504, to remain eligible for payment.

193.26 ~~(e)~~ (d) Care coordination and patient education services covered under this subdivision
 193.27 include, but are not limited to, services relating to oral health and dental care.

193.28 Sec. 59. Minnesota Statutes 2022, section 259.83, subdivision 1, is amended to read:

193.29 Subdivision 1. **Services provided.** (a) Agencies shall provide assistance and counseling
 193.30 services upon receiving a request for current information from adoptive parents, birth parents,
 193.31 or adopted persons aged ~~19~~ 18 years of age and ~~over~~ older. The agency shall contact the
 193.32 other adult persons or the adoptive parents of a minor child in a personal and confidential

194.1 manner to determine whether there is a desire to receive or share information or to have
 194.2 contact. If there is such a desire, the agency shall provide the services requested. The agency
 194.3 shall provide services to adult genetic siblings if there is no known violation of the
 194.4 confidentiality of a birth parent or if the birth parent gives written consent.

194.5 (b) Upon a request for assistance or services from an adoptive parent, birth parent, or
 194.6 an adopted person 18 years of age or older, the agency must inform the person:

194.7 (1) about the right of an adopted person to request and obtain a copy of the adopted
 194.8 person's original birth record at the age and circumstances specified in section 144.2253;
 194.9 and

194.10 (2) about the right of the birth parent named on the adopted person's original birth record
 194.11 to file a contact preference form with the state registrar pursuant to section 144.2253.

194.12 In adoptive placements, the agency must provide in writing to the birth parents listed on
 194.13 the original birth record the information required under this section.

194.14 **EFFECTIVE DATE.** This section is effective July 1, 2024.

194.15 Sec. 60. Minnesota Statutes 2022, section 259.83, subdivision 1a, is amended to read:

194.16 Subd. 1a. **Social and medical history.** (a) If a person aged ~~19~~ 18 years of age and ~~over~~
 194.17 older who was adopted on or after August 1, 1994, or the adoptive parent requests the
 194.18 detailed nonidentifying social and medical history of the adopted person's birth family that
 194.19 was provided at the time of the adoption, agencies must provide the information to the
 194.20 adopted person or adoptive parent on the applicable form required under sections 259.43
 194.21 and 260C.212, subdivision 15.

194.22 (b) If an adopted person aged ~~19~~ 18 years of age and ~~over~~ older or the adoptive parent
 194.23 requests the agency to contact the adopted person's birth parents to request current
 194.24 nonidentifying social and medical history of the adopted person's birth family, agencies
 194.25 must use the applicable form required under sections 259.43 and 260C.212, subdivision 15,
 194.26 when obtaining the information for the adopted person or adoptive parent.

194.27 **EFFECTIVE DATE.** This section is effective July 1, 2024.

194.28 Sec. 61. Minnesota Statutes 2022, section 259.83, subdivision 1b, is amended to read:

194.29 Subd. 1b. **Genetic siblings.** (a) A person who is at least ~~19~~ 18 years ~~old~~ of age who was
 194.30 adopted or, because of a termination of parental rights, was committed to the guardianship
 194.31 of the commissioner of human services, whether adopted or not, must upon request be

195.1 advised of other siblings who were adopted or who were committed to the guardianship of
195.2 the commissioner of human services and not adopted.

195.3 (b) Assistance must be provided by the county or placing agency of the person requesting
195.4 information to the extent that information is available in the existing records at the
195.5 Department of Human Services. If the sibling received services from another agency, the
195.6 agencies must share necessary information in order to locate the other siblings and to offer
195.7 services, as requested. Upon the determination that parental rights with respect to another
195.8 sibling were terminated, identifying information and contact must be provided only upon
195.9 mutual consent. A reasonable fee may be imposed by the county or placing agency.

195.10 **EFFECTIVE DATE.** This section is effective July 1, 2024.

195.11 Sec. 62. Minnesota Statutes 2022, section 259.83, is amended by adding a subdivision to
195.12 read:

195.13 **Subd. 3a. Birth parent identifying information.** (a) This subdivision applies to adoptive
195.14 placements where an adopted person does not have a record of live birth registered in this
195.15 state. Upon written request by an adopted person 18 years of age or older, the agency
195.16 responsible for or supervising the placement must provide to the requester the following
195.17 identifying information related to the birth parents listed on that adopted person's original
195.18 birth record:

195.19 (1) each of the birth parent's names; and

195.20 (2) each of the birth parent's birthdate and birthplace.

195.21 (b) The agency may charge a reasonable fee to the requester for providing the required
195.22 information under paragraph (a).

195.23 (c) The agency, acting in good faith and in a lawful manner in disclosing the identifying
195.24 information under this subdivision, is not civilly liable for such disclosure.

195.25 **EFFECTIVE DATE.** This section is effective July 1, 2024.

195.26 Sec. 63. Minnesota Statutes 2022, section 260C.317, subdivision 4, is amended to read:

195.27 **Subd. 4. Rights of terminated parent.** (a) Upon entry of an order terminating the
195.28 parental rights of any person who is identified as a parent on the original birth record of the
195.29 child as to whom the parental rights are terminated, the court shall cause written notice to
195.30 be made to that person setting forth:

196.1 ~~(1) the right of the person to file at any time with the state registrar of vital records a~~
 196.2 ~~consent to disclosure, as defined in section 144.212, subdivision 11;~~

196.3 ~~(2) the right of the person to file at any time with the state registrar of vital records an~~
 196.4 ~~affidavit stating that the information on the original birth record shall not be disclosed as~~
 196.5 ~~provided in section 144.2252; and a contact preference form under section 144.2253.~~

196.6 ~~(3) the effect of a failure to file either a consent to disclosure, as defined in section~~
 196.7 ~~144.212, subdivision 11, or an affidavit stating that the information on the original birth~~
 196.8 ~~record shall not be disclosed.~~

196.9 (b) A parent whose rights are terminated under this section shall retain the ability to
 196.10 enter into a contact or communication agreement under section 260C.619 if an agreement
 196.11 is determined by the court to be in the best interests of the child. The agreement shall be
 196.12 filed with the court at or prior to the time the child is adopted. An order for termination of
 196.13 parental rights shall not be conditioned on an agreement under section 260C.619.

196.14 **EFFECTIVE DATE.** This section is effective July 1, 2024.

196.15 Sec. 64. Minnesota Statutes 2022, section 403.161, subdivision 1, is amended to read:

196.16 Subdivision 1. **Fees imposed.** (a) A prepaid wireless E911 fee of 80 cents per retail
 196.17 transaction is imposed on prepaid wireless telecommunications service until the fee is
 196.18 adjusted as an amount per retail transaction under subdivision 7.

196.19 (b) A prepaid wireless telecommunications access Minnesota fee, in the amount of the
 196.20 monthly charge provided for in section 237.52, subdivision 2, is imposed on each retail
 196.21 transaction for prepaid wireless telecommunications service until the fee is adjusted as an
 196.22 amount per retail transaction under subdivision 7.

196.23 (c) A prepaid wireless 988 fee, in the amount of the monthly charge provided for in
 196.24 section 145.561, subdivision 4, paragraph (b), is imposed on each retail transaction for
 196.25 prepaid wireless telecommunications service until the fee is adjusted as an amount per retail
 196.26 transaction under subdivision 7.

196.27 Sec. 65. Minnesota Statutes 2022, section 403.161, subdivision 3, is amended to read:

196.28 Subd. 3. **Fee collected.** The prepaid wireless E911 ~~and,~~ telecommunications access
 196.29 Minnesota, and 988 fees must be collected by the seller from the consumer for each retail
 196.30 transaction occurring in this state. The amount of each fee must be combined into one
 196.31 amount, which must be separately stated on an invoice, receipt, or other similar document
 196.32 that is provided to the consumer by the seller.

197.1 Sec. 66. Minnesota Statutes 2022, section 403.161, subdivision 5, is amended to read:

197.2 Subd. 5. **Remittance.** The prepaid wireless E911 ~~and~~₂ telecommunications access
197.3 Minnesota, and 988 fees are the liability of the consumer and not of the seller or of any
197.4 provider, except that the seller is liable to remit all fees as provided in section 403.162.

197.5 Sec. 67. Minnesota Statutes 2022, section 403.161, subdivision 6, is amended to read:

197.6 Subd. 6. **Exclusion for calculating other charges.** The combined amount of the prepaid
197.7 wireless E911 ~~and~~₂ telecommunications access Minnesota, and 988 fees collected by a seller
197.8 from a consumer must not be included in the base for measuring any tax, fee, surcharge, or
197.9 other charge that is imposed by this state, any political subdivision of this state, or any
197.10 intergovernmental agency.

197.11 Sec. 68. Minnesota Statutes 2022, section 403.161, subdivision 7, is amended to read:

197.12 Subd. 7. **Fee changes.** (a) The prepaid wireless E911 ~~and~~₂ telecommunications access
197.13 Minnesota ~~fee~~, and 988 fees must be proportionately increased or reduced upon any change
197.14 to the fee imposed under section 403.11, subdivision 1, paragraph (c), after July 1, 2013,
197.15 ~~or~~ the fee imposed under section 237.52, subdivision 2, or the fee imposed under section
197.16 145.561, subdivision 4, as applicable.

197.17 (b) The department shall post notice of any fee changes on its website at least 30 days
197.18 in advance of the effective date of the fee changes. It is the responsibility of sellers to monitor
197.19 the department's website for notice of fee changes.

197.20 (c) Fee changes are effective 60 days after the first day of the first calendar month after
197.21 the commissioner of public safety or the Public Utilities Commission, as applicable, changes
197.22 the fee.

197.23 Sec. 69. Minnesota Statutes 2022, section 403.162, subdivision 1, is amended to read:

197.24 Subdivision 1. **Remittance.** Prepaid wireless E911 ~~and~~₂ telecommunications access
197.25 Minnesota, and 988 fees collected by sellers must be remitted to the commissioner of revenue
197.26 at the times and in the manner provided by chapter 297A with respect to the general sales
197.27 and use tax. The commissioner of revenue shall establish registration and payment procedures
197.28 that substantially coincide with the registration and payment procedures that apply in chapter
197.29 297A.

198.1 Sec. 70. Minnesota Statutes 2022, section 403.162, subdivision 2, is amended to read:

198.2 Subd. 2. **Seller's fee retention.** A seller may deduct and retain three percent of prepaid
198.3 wireless E911 ~~and~~₂ telecommunications access Minnesota, and 988 fees collected by the
198.4 seller from consumers.

198.5 Sec. 71. Minnesota Statutes 2022, section 403.162, subdivision 5, is amended to read:

198.6 Subd. 5. **Fees deposited.** (a) The commissioner of revenue shall, based on the relative
198.7 proportion of the prepaid wireless E911 fee ~~and~~₂ the prepaid wireless telecommunications
198.8 access Minnesota fee, and the prepaid wireless 988 fee imposed per retail transaction, divide
198.9 the fees collected in corresponding proportions. Within 30 days of receipt of the collected
198.10 fees, the commissioner shall:

198.11 (1) deposit the proportion of the collected fees attributable to the prepaid wireless E911
198.12 fee in the 911 emergency telecommunications service account in the special revenue fund;
198.13 ~~and~~

198.14 (2) deposit the proportion of collected fees attributable to the prepaid wireless
198.15 telecommunications access Minnesota fee in the telecommunications access fund established
198.16 in section 237.52, subdivision 1; and

198.17 (3) deposit the proportion of the collected fees attributable to the prepaid wireless 988
198.18 fee in the 988 special revenue account established in section 145.561, subdivision 3.

198.19 (b) The commissioner of revenue may deduct and deposit in a special revenue account
198.20 an amount not to exceed two percent of collected fees. Money in the account is annually
198.21 appropriated to the commissioner of revenue to reimburse its direct costs of administering
198.22 the collection and remittance of prepaid wireless E911 fees ~~and~~₂ prepaid wireless
198.23 telecommunications access Minnesota fees, and prepaid wireless 988 fees.

198.24 Sec. 72. Laws 2017, First Special Session chapter 6, article 5, section 11, as amended by
198.25 Laws 2019, First Special Session chapter 9, article 8, section 20, is amended to read:

198.26 Sec. 11. **MORATORIUM ON CONVERSION TRANSACTIONS.**

198.27 (a) Notwithstanding Laws 2017, chapter 2, article 2, a nonprofit ~~health~~ service plan
198.28 corporation operating under Minnesota Statutes, chapter 62C, or a nonprofit health
198.29 maintenance organization operating under Minnesota Statutes, chapter 62D, as of January
198.30 1, 2017, may only merge or consolidate with; convert; or transfer, as part of a single
198.31 transaction or a series of transactions within a 24-month period, all or a material amount of

199.1 its assets to an entity that is a corporation organized under Minnesota Statutes, chapter
199.2 317A; or to a Minnesota nonprofit hospital within the same integrated health system as the
199.3 health maintenance organization. For purposes of this section, "material amount" means
199.4 the lesser of ten percent of such an entity's total admitted net assets as of December 31 of
199.5 the previous year, or \$50,000,000.

199.6 (b) Paragraph (a) does not apply if the nonprofit service plan corporation or nonprofit
199.7 health maintenance organization files an intent to dissolve due to insolvency of the
199.8 corporation in accordance with Minnesota Statutes, chapter 317A, or insolvency proceedings
199.9 are commenced under Minnesota Statutes, chapter 60B.

199.10 (c) Nothing in this section shall be construed to authorize a nonprofit health maintenance
199.11 organization or a nonprofit service plan corporation to engage in any transaction or activities
199.12 not otherwise permitted under state law.

199.13 (d) This section expires July 1, ~~2023~~ 2026.

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

199.15 Sec. 73. **MEMBERSHIP TERMS; PALLIATIVE CARE ADVISORY COUNCIL.**

199.16 Notwithstanding the terms of office specified to the members upon their appointment,
199.17 the terms for members appointed to the Palliative Care Advisory Council under Minnesota
199.18 Statutes, section 144.059, on or after February 1, 2022, shall be three years, as provided in
199.19 Minnesota Statutes, section 144.059, subdivision 3.

199.20 Sec. 74. **STUDY OF THE DEVELOPMENT OF A STATEWIDE REGISTRY FOR**
199.21 **PROVIDER ORDERS FOR LIFE-SUSTAINING TREATMENT.**

199.22 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
199.23 the meanings given.

199.24 (b) "Commissioner" means the commissioner of health.

199.25 (c) "Life-sustaining treatment" means any medical procedure, pharmaceutical drug,
199.26 medical device, or medical intervention that maintains life by sustaining, restoring, or
199.27 supplanting a vital function. Life-sustaining treatment does not include routine care necessary
199.28 to sustain patient cleanliness and comfort.

199.29 (d) "POLST" means a provider order for life-sustaining treatment, signed by a physician,
199.30 advanced practice registered nurse, or physician assistant, to ensure that the medical treatment

200.1 preferences of a patient with an advanced serious illness who is nearing the end of the their
200.2 life are honored.

200.3 (e) "POLST form" means a portable medical form used to communicate a physician's
200.4 order to help ensure that a patient's medical treatment preferences are conveyed to emergency
200.5 medical service personnel and other health care providers.

200.6 Subd. 2. **Establishment.** (a) The commissioner, in consultation with the advisory
200.7 committee established in paragraph (c), shall develop recommendations for a statewide
200.8 registry of POLST forms to ensure that a patient's medical treatment preferences are followed
200.9 by all health care providers. The registry must allow for the submission of completed POLST
200.10 forms and for the forms to be accessed by health care providers and emergency medical
200.11 service personnel in a timely manner for the provision of care or services.

200.12 (b) The commissioner shall develop recommendations on the following:

200.13 (1) electronic capture, storage, and security of information in the registry;

200.14 (2) procedures to protect the accuracy and confidentiality of information submitted to
200.15 the registry;

200.16 (3) limits as to who can access the registry;

200.17 (4) where the registry should be housed;

200.18 (5) ongoing funding models for the registry; and

200.19 (6) any other action needed to ensure that patients' rights are protected and that their
200.20 health care decisions are followed.

200.21 (c) The commissioner shall create an advisory committee with members representing
200.22 physicians, physician assistants, advanced practice registered nurses, nursing homes,
200.23 emergency medical system providers, hospice and palliative care providers, the disability
200.24 community, attorneys, medical ethicists, and the religious community.

200.25 Subd. 3. **Report.** The commissioner shall submit recommendations on establishing a
200.26 statewide registry of POLST forms to the chairs and ranking minority members of the
200.27 legislative committees with jurisdiction over health and human services policy and finance
200.28 by February 1, 2024.

201.1 Sec. 75. DIRECTION TO THE COMMISSIONER; ALZHEIMER'S PUBLIC
201.2 INFORMATION PROGRAM.

201.3 (a) The commissioner of health shall design and make publicly available materials for
201.4 a statewide public information program that:

201.5 (1) promotes the benefits of early detection and the importance of discussing cognition
201.6 with a health care provider;

201.7 (2) outlines the benefits of cognitive testing, the early warning signs of cognitive
201.8 impairment, and the difference between normal cognitive aging and dementia; and

201.9 (3) provides awareness of Alzheimer's disease and other dementias.

201.10 (b) The commissioner shall include in the program materials messages directed at the
201.11 general population, as well as messages designed to reach underserved communities including
201.12 but not limited to rural populations, Native and Indigenous communities, and communities
201.13 of color. The program materials shall include culturally specific messages developed in
201.14 consultation with leaders of targeted cultural communities who have experience with
201.15 Alzheimer's disease and other dementias. The commissioner shall develop the materials for
201.16 the program by June 30, 2024, and make them available online to local and county public
201.17 health agencies and other interested parties.

201.18 (c) To the extent funds remain available for this purpose, the commissioner shall
201.19 implement an initial statewide public information campaign using the developed program
201.20 materials. The campaign must include culturally specific messages and the development of
201.21 a community digital public forum. These messages may be disseminated by television and
201.22 radio public service announcements, social media and digital advertising, print materials
201.23 or other means.

201.24 (d) The commissioner may contract with one or more third parties to initially implement
201.25 some or all of the public information campaign, provided the contracted third party has
201.26 prior experience promoting Alzheimer's awareness and the contract is awarded through a
201.27 competitive process. The public information campaign must be implemented by July 1,
201.28 2025.

201.29 (e) By June 30, 2026, the commissioner shall report to the chairs and ranking minority
201.30 members of the legislative committees and divisions with jurisdiction over public health or
201.31 aging on the development of the program materials and initial implementation of the public
201.32 information campaign, including how and where the funds appropriated for this purpose
201.33 were spent.

202.1 Sec. 76. **MORATORIUM ON GREEN BURIALS; STUDY.**

202.2 **Subdivision 1. Definition.** For purposes of this section, "green burial" means a burial
202.3 of a dead human body in a manner that minimizes environmental impact and does not inhibit
202.4 decomposition of the body by using practices that include at least the following:

202.5 (1) the human body is not embalmed prior to burial or is embalmed only with nontoxic
202.6 chemicals;

202.7 (2) a biodegradable casket or shroud is used for burial; and

202.8 (3) the casket or shroud holding the human body is not placed in an outer burial container
202.9 when buried.

202.10 **Subd. 2. Moratorium.** Between July 1, 2023, and July 1, 2025, a green burial shall not
202.11 be performed in this state unless the green burial is performed in a cemetery that permits
202.12 green burials and at which green burials are permitted by any applicable ordinances or
202.13 regulations.

202.14 **Subd. 3. Study and report.** (a) The commissioner of health shall study the environmental
202.15 and health impacts of green burials and develop recommendations for the performance of
202.16 green burials to prevent environmental harm, including contamination of groundwater and
202.17 surface water, and to protect the health of workers performing green burials, mourners, and
202.18 the public. The study and recommendations may address topics that include:

202.19 (1) the siting of locations where green burials are permitted;

202.20 (2) the minimum distance a green burial location must have from groundwater, surface
202.21 water, and drinking water;

202.22 (3) the minimum depth at which a body buried via green burial must be buried, the
202.23 minimum soil depth below the body, and the minimum soil depth covering the body;

202.24 (4) the maximum density of green burial interments in a green burial location;

202.25 (5) procedures used by individuals who come in direct contact with a body awaiting
202.26 green burial to minimize the risk of infectious disease transmission from the body;

202.27 (6) methods to temporarily inhibit decomposition of an unembalmed body awaiting
202.28 green burial; and

202.29 (7) the time period within which an unembalmed body awaiting green burial must be
202.30 buried or held in a manner that delays decomposition.

203.1 (b) The commissioner shall submit the study and recommendations, including any
203.2 statutory changes needed to implement the recommendations, to the chairs and ranking
203.3 minority members of the legislative committees with jurisdiction over health and the
203.4 environment by February 1, 2025.

203.5 **Sec. 77. ADOPTION LAW CHANGES; PUBLIC AWARENESS CAMPAIGN.**

203.6 (a) The commissioner of human services must, in consultation with licensed child-placing
203.7 agencies, provide information and educational materials to adopted persons and birth parents
203.8 about the changes in law made by this act affecting access to birth records.

203.9 (b) The commissioner of human services must provide notice on the department's website
203.10 about the changes in the law. The commissioner or the commissioner's designee, in
203.11 consultation with licensed child-placement agencies, must coordinate a public awareness
203.12 campaign to advise the public about the changes in law made by this act.

203.13 **EFFECTIVE DATE.** This section is effective August 1, 2023.

203.14 **Sec. 78. STUDY OF THE DEVELOPMENT OF A STATEWIDE REGISTRY FOR**
203.15 **PROVIDER ORDERS FOR LIFE-SUSTAINING TREATMENT.**

203.16 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
203.17 the meanings given.

203.18 (b) "Commissioner" means the commissioner of health.

203.19 (c) "Life-sustaining treatment" means any medical procedure, pharmaceutical drug,
203.20 medical device, or medical intervention that maintains life by sustaining, restoring, or
203.21 supplanting a vital function. Life-sustaining treatment does not include routine care necessary
203.22 to sustain patient cleanliness and comfort.

203.23 (d) "POLST" means a provider order for life-sustaining treatment, signed by a physician,
203.24 advanced practice registered nurse, or physician assistant, to ensure that the medical treatment
203.25 preferences of a patient with an advanced serious illness who is nearing the end of the their
203.26 life are honored.

203.27 (e) "POLST form" means a portable medical form used to communicate a physician's
203.28 order to help ensure that a patient's medical treatment preferences are conveyed to emergency
203.29 medical service personnel and other health care providers.

203.30 Subd. 2. **Establishment.** (a) The commissioner, in consultation with the advisory
203.31 committee established in paragraph (c), shall develop recommendations for a statewide

204.1 registry of POLST forms to ensure that a patient's medical treatment preferences are followed
204.2 by all health care providers. The registry must allow for the submission of completed POLST
204.3 forms and for the forms to be accessed by health care providers and emergency medical
204.4 service personnel in a timely manner for the provision of care or services.

204.5 (b) The commissioner shall develop recommendations on the following:

204.6 (1) electronic capture, storage, and security of information in the registry;

204.7 (2) procedures to protect the accuracy and confidentiality of information submitted to
204.8 the registry;

204.9 (3) limits as to who can access the registry;

204.10 (4) where the registry should be housed;

204.11 (5) ongoing funding models for the registry; and

204.12 (6) any other action needed to ensure that patients' rights are protected and that their
204.13 health care decisions are followed.

204.14 (c) The commissioner shall create an advisory committee with members representing
204.15 physicians, physician assistants, advanced practice registered nurses, nursing homes,
204.16 emergency medical system providers, hospice and palliative care providers, the disability
204.17 community, attorneys, medical ethicists, and the religious community.

204.18 Subd. 3. **Report.** The commissioner shall submit recommendations on establishing a
204.19 statewide registry of POLST forms to the chairs and ranking minority members of the
204.20 legislative committees with jurisdiction over health and human services policy and finance
204.21 by February 1, 2024.

204.22 Sec. 79. **EMMETT LOUIS TILL VICTIMS RECOVERY PROGRAM.**

204.23 Subdivision 1. **Short title.** This section shall be known as the Emmett Louis Till Victims
204.24 Recovery Program.

204.25 Subd. 2. **Program established; grants.** (a) The commissioner of health shall establish
204.26 the Emmett Louis Till Victims Recovery Program to address the health and wellness needs
204.27 of:

204.28 (1) victims who experienced trauma, including historical trauma, resulting from events
204.29 such as assault or another violent physical act, intimidation, false accusations, wrongful
204.30 conviction, a hate crime, the violent death of a family member, or experiences of
204.31 discrimination or oppression based on the victim's race, ethnicity, or national origin; and

205.1 (2) the families and heirs of victims described in clause (1), who experienced trauma,
205.2 including historical trauma, because of their proximity or connection to the victim.

205.3 (b) The commissioner, in consultation with victims, families, and heirs described in
205.4 paragraph (a), shall award competitive grants to applicants for projects to provide the
205.5 following services to victims, families, and heirs described in paragraph (a):

205.6 (1) health and wellness services, which may include services and support to address
205.7 physical health, mental health, cultural needs, and spiritual or faith-based needs;

205.8 (2) remembrance and legacy preservation activities;

205.9 (3) cultural awareness services;

205.10 (4) spiritual and faith-based support; and

205.11 (5) community resources and services to promote healing for victims, families, and heirs
205.12 described in paragraph (a).

205.13 (c) In awarding grants under this section, the commissioner must prioritize grant awards
205.14 to community-based organizations experienced in providing support and services to victims,
205.15 families, and heirs described in paragraph (a).

205.16 Subd. 3. **Evaluation.** Grant recipients must provide the commissioner with information
205.17 required by the commissioner to evaluate the grant program, in a time and manner specified
205.18 by the commissioner.

205.19 Subd. 4. **Reports.** The commissioner must submit a status report by January 15, 2024,
205.20 and an additional report by January 15, 2025, on the operation and results of the grant
205.21 program, to the extent available. These reports must be submitted to the chairs and ranking
205.22 minority members of the legislative committees with jurisdiction over health care. The
205.23 report due January 15, 2024, must include information on grant program activities to date
205.24 and an assessment of the need to continue to offer services provided by grant recipients to
205.25 victims, families, and heirs who experienced trauma as described in subdivision 1, paragraph
205.26 (a). The report due January 15, 2025, must include a summary of the services offered by
205.27 grant recipients; an assessment of the need to continue to offer services provided by grant
205.28 recipients to victims, families, and heirs described in subdivision 2, paragraph (a); and an
205.29 evaluation of the grant program's goals and outcomes.

205.30 Sec. 80. **EMPLOYEE SAFETY AND SECURITY GRANTS.**

205.31 Subdivision 1. **Establishment.** The commissioner of health must establish a competitive
205.32 grant program for workplace safety grants for eligible health care entities to increase the

206.1 employee safety or security. Each grant award must be for at least \$5,000, but no more than
206.2 \$100,000.

206.3 Subd. 2. **Eligible applicants.** A health care entity located in this state is eligible to apply
206.4 for a grant. For purposes of this section, a health care entity includes, but is not limited to,
206.5 the following: health care systems, long term care facilities, hospitals, nursing facilities,
206.6 medical clinics, dental clinics, community health clinics, and ambulance services.

206.7 Subd. 3. **Applications.** An entity seeking a grant under this section must apply to the
206.8 commissioner in a form and manner prescribed by the commissioner. The grant applicant,
206.9 in its application, must include:

206.10 (1) a proposed plan for how the grant funds will be used to improve employee safety or
206.11 security;

206.12 (2) a description of the achievable objectives the applicant plans to achieve through the
206.13 use of the grant funds; and

206.14 (3) a process for documenting and evaluating the results achieved through the use of the
206.15 grant funds.

206.16 Subd. 4. **Eligible uses.** Grant funds must be used for the following purposes:

206.17 (1) training for employees on self-defense;

206.18 (2) training for employees on de-escalation methods;

206.19 (3) creating and implementing a health care-based violence intervention programs
206.20 (HBVI); or

206.21 (4) technology system improvements designed to improve employee safety or security.

206.22 Subd. 5. **Grant allocations.** For grants awarded prior to January 1, 2025, the
206.23 commissioner must ensure approximately 60 percent of awards are to health care entities
206.24 in the seven-county metropolitan area and 40 percent are to health care entities outside of
206.25 the seven-county metropolitan area. If funds remain on January 1, 2025, the commissioner
206.26 may award grants to health care entities regardless of where the entity is located.

206.27 Subd. 6. **Report.** By January 15, 2026, the commissioner of health must report to the
206.28 legislative committees with jurisdiction over health policy and finance on the grants awarded
206.29 by this section. The report must include the following information:

206.30 (1) the name of each grantee, the amount awarded to the grantee, and how the grantee
206.31 used the funds; and

207.1 (2) the percentage of awards made to entities outside of the seven-county metropolitan
207.2 area.

207.3 Sec. 81. **EQUITABLE HEALTH CARE TASK FORCE.**

207.4 **Subdivision 1. Establishment; composition of task force.** The commissioner of health
207.5 shall establish an equitable health care task force consisting of up to 20 members from both
207.6 metropolitan and greater Minnesota. Members must include representatives of:

207.7 (1) African American and African heritage communities;

207.8 (2) Asian American and Pacific Islander communities;

207.9 (3) Latina/o/x/ communities;

207.10 (4) American Indian communities and Tribal Nations;

207.11 (5) disability communities;

207.12 (6) lesbian, gay, bisexual, transgender, and queer (LGBTQ) communities;

207.13 (7) organizations that advocate for the rights of individuals using the health care system;

207.14 (8) health care providers of primary care and specialty care; and

207.15 (9) organizations that provide health coverage in Minnesota.

207.16 **Subd. 2. Organization and meetings.** The task force shall be organized and administered
207.17 under Minnesota Statutes, section 15.059. Meetings shall be held at least quarterly.

207.18 Subcommittees or workgroups may be established as necessary. Task force meetings are
207.19 subject to Minnesota Statutes, chapter 13D. The task force shall expire on June 30, 2025.

207.20 **Subd. 3. Duties of task force.** The task force shall examine inequities in how people
207.21 access and receive health care based on race, religion, culture, sexual orientation, gender
207.22 identity, age, or disability and identify strategies to ensure that all Minnesotans can receive
207.23 care and coverage that is respectful and ensures optimal health outcomes, to include:

207.24 (1) identifying inequities experienced by Minnesotans in interacting with the health care
207.25 system that originate from or can be attributed to their race, religion, culture, sexual
207.26 orientation, gender identity, age, or disability status;

207.27 (2) conducting community engagement across multiple systems, sectors, and communities
207.28 to identify barriers for these population groups that result in diminished standards of care
207.29 and foregone care;

208.1 (3) identifying promising practices to improve the experience of care and health outcomes
208.2 for individuals in these population groups; and
208.3 (4) making recommendations for changes in health care system practices or health
208.4 insurance regulations that would address identified issues.

208.5 Sec. 82. **REPEALER.**

208.6 (a) Minnesota Statutes 2022, section 144.059, subdivision 10, is repealed.

208.7 (b) Minnesota Statutes 2022, sections 144.212, subdivision 11; 259.83, subdivision 3;
208.8 259.89; and 260C.637, are repealed.

208.9 (c) Minnesota Statutes 2022, sections 62J.692, subdivisions 4a, 7, and 7a; 137.38,
208.10 subdivision 1; and 256B.69, subdivision 5c, are repealed.

208.11 **EFFECTIVE DATE.** Paragraph (b) is effective July 1, 2024.

208.12

ARTICLE 5

208.13

MEDICAL EDUCATION AND RESEARCH COSTS

208.14 Section 1. Minnesota Statutes 2022, section 62J.692, subdivision 1, is amended to read:

208.15 Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions
208.16 apply:

208.17 (b) "Accredited clinical training" means the clinical training provided by a medical
208.18 education program that is accredited through an organization recognized by the Department
208.19 of Education, the Centers for Medicare and Medicaid Services, or another national body
208.20 who reviews the accrediting organizations for multiple disciplines and whose standards for
208.21 recognizing accrediting organizations are reviewed and approved by the commissioner of
208.22 health.

208.23 (c) "Commissioner" means the commissioner of health.

208.24 (d) "Clinical medical education program" means the accredited clinical training of
208.25 physicians (medical students and residents), doctor of pharmacy practitioners (pharmacy
208.26 students and residents), doctors of chiropractic, dentists (dental students and residents),
208.27 advanced practice registered nurses (clinical nurse specialists, certified registered nurse
208.28 anesthetists, nurse practitioners, and certified nurse midwives), physician assistants, dental
208.29 therapists and advanced dental therapists, psychologists, clinical social workers, community
208.30 paramedics, and community health workers.

209.1 (e) "Sponsoring institution" means a hospital, school, or consortium located in Minnesota
 209.2 that sponsors and maintains primary organizational and financial responsibility for a clinical
 209.3 medical education program in Minnesota and which is accountable to the accrediting body.

209.4 (f) "Teaching institution" means a hospital, medical center, clinic, or other organization
 209.5 that conducts a clinical medical education program in Minnesota.

209.6 (g) "Trainee" means a student or resident involved in a clinical medical education
 209.7 program.

209.8 (h) "Eligible trainee FTE's" means the number of trainees, as measured by full-time
 209.9 equivalent counts, that are at training sites located in Minnesota with currently active medical
 209.10 assistance enrollment status and a National Provider Identification (NPI) number where
 209.11 training occurs ~~in~~ as part of or under the scope of either an inpatient or ambulatory patient
 209.12 care setting and where the training is funded, in part, by patient care revenues. Training that
 209.13 occurs in nursing facility settings is not eligible for funding under this section.

209.14 Sec. 2. Minnesota Statutes 2022, section 62J.692, subdivision 3, is amended to read:

209.15 Subd. 3. **Application process.** (a) A clinical medical education program conducted in
 209.16 Minnesota by a teaching institution to train physicians, doctor of pharmacy practitioners,
 209.17 dentists, chiropractors, physician assistants, dental therapists and advanced dental therapists,
 209.18 psychologists, clinical social workers, community paramedics, or community health workers
 209.19 is eligible for funds under subdivision 4 if the program:

209.20 (1) is funded, in part, by patient care revenues;

209.21 (2) occurs in patient care settings that face increased financial pressure as a result of
 209.22 competition with nonteaching patient care entities; ~~and~~

209.23 (3) includes training hours in settings outside of the hospital or clinic site, as applicable,
 209.24 including but not limited to school, home, and community settings; and

209.25 ~~(3)~~ (4) emphasizes primary care or specialties that are in undersupply in Minnesota.

209.26 (b) A clinical medical education program for advanced practice nursing is eligible for
 209.27 funds under subdivision 4 if the program meets the eligibility requirements in paragraph
 209.28 (a), clauses (1) to (3), and is sponsored by the University of Minnesota Academic Health
 209.29 Center, the Mayo Foundation, or institutions that are part of the Minnesota State Colleges
 209.30 and Universities system or members of the Minnesota Private College Council.

209.31 (c) Applications must be submitted to the commissioner by a sponsoring institution on
 209.32 behalf of an eligible clinical medical education program ~~and must be received by October~~

210.1 ~~31 of each year for distribution in the following year~~ on a timeline determined by the
 210.2 commissioner. An application for funds must contain the following information: information
 210.3 the commissioner deems necessary to determine program eligibility based on the criteria
 210.4 in paragraphs (a) and (b) and to ensure the equitable distribution of funds.

210.5 ~~(1) the official name and address of the sponsoring institution and the official name and~~
 210.6 ~~site address of the clinical medical education programs on whose behalf the sponsoring~~
 210.7 ~~institution is applying;~~

210.8 ~~(2) the name, title, and business address of those persons responsible for administering~~
 210.9 ~~the funds;~~

210.10 ~~(3) for each clinical medical education program for which funds are being sought; the~~
 210.11 ~~type and specialty orientation of trainees in the program; the name, site address, and medical~~
 210.12 ~~assistance provider number and national provider identification number of each training~~
 210.13 ~~site used in the program; the federal tax identification number of each training site used in~~
 210.14 ~~the program, where available; the total number of trainees at each training site; and the total~~
 210.15 ~~number of eligible trainee FTEs at each site; and~~

210.16 ~~(4) other supporting information the commissioner deems necessary to determine program~~
 210.17 ~~eligibility based on the criteria in paragraphs (a) and (b) and to ensure the equitable~~
 210.18 ~~distribution of funds.~~

210.19 ~~(d) An application must include the information specified in clauses (1) to (3) for each~~
 210.20 ~~clinical medical education program on an annual basis for three consecutive years. After~~
 210.21 ~~that time, an application must include the information specified in clauses (1) to (3) when~~
 210.22 ~~requested, at the discretion of the commissioner:~~

210.23 ~~(1) audited clinical training costs per trainee for each clinical medical education program~~
 210.24 ~~when available or estimates of clinical training costs based on audited financial data;~~

210.25 ~~(2) a description of current sources of funding for clinical medical education costs,~~
 210.26 ~~including a description and dollar amount of all state and federal financial support, including~~
 210.27 ~~Medicare direct and indirect payments; and~~

210.28 ~~(3) other revenue received for the purposes of clinical training.~~

210.29 ~~(e)~~ (d) An applicant that does not provide information requested by the commissioner
 210.30 shall not be eligible for funds for the ~~current~~ applicable funding cycle.

211.1 Sec. 3. Minnesota Statutes 2022, section 62J.692, subdivision 4, is amended to read:

211.2 Subd. 4. **Distribution of funds.** (a) The commissioner shall annually distribute ~~the~~
 211.3 ~~available medical education funds~~ revenue credited or money transferred to the medical
 211.4 education and research cost account under subdivision 8 and section 297F.10, subdivision
 211.5 1, clause (2), to all qualifying applicants based on a public program volume factor, which
 211.6 is determined by the total volume of public program revenue received by each training site
 211.7 as a percentage of all public program revenue received by all training sites in the fund pool.

211.8 Public program revenue for the distribution formula includes revenue from medical
 211.9 assistance and prepaid medical assistance. Training sites that receive no public program
 211.10 revenue are ineligible for funds available under this subdivision. ~~For purposes of determining~~
 211.11 ~~training site level grants to be distributed under this paragraph, total statewide average costs~~
 211.12 ~~per trainee for medical residents is based on audited clinical training costs per trainee in~~
 211.13 ~~primary care clinical medical education programs for medical residents. Total statewide~~
 211.14 ~~average costs per trainee for dental residents is based on audited clinical training costs per~~
 211.15 ~~trainee in clinical medical education programs for dental students. Total statewide average~~
 211.16 ~~costs per trainee for pharmacy residents is based on audited clinical training costs per trainee~~
 211.17 ~~in clinical medical education programs for pharmacy students.~~

211.18 Training sites whose training site level grant is less than \$5,000, based on the ~~formula~~
 211.19 formulas described in this ~~paragraph~~ subdivision, or that train fewer than 0.1 FTE eligible
 211.20 trainees, are ineligible for funds available under this subdivision. No training sites shall
 211.21 receive a grant per FTE trainee that is in excess of the 95th percentile grant per FTE across
 211.22 all eligible training sites; grants in excess of this amount will be redistributed to other eligible
 211.23 sites based on the ~~formula~~ formulas described in this ~~paragraph~~ subdivision.

211.24 (b) ~~For funds distributed in fiscal years 2014 and 2015, the distribution formula shall~~
 211.25 ~~include a supplemental public program volume factor, which is determined by providing a~~
 211.26 ~~supplemental payment to training sites whose public program revenue accounted for at least~~
 211.27 ~~0.98 percent of the total public program revenue received by all eligible training sites. The~~
 211.28 ~~supplemental public program volume factor shall be equal to ten percent of each training~~
 211.29 ~~site's grant for funds distributed in fiscal year 2014 and for funds distributed in fiscal year~~
 211.30 ~~2015. Grants to training sites whose public program revenue accounted for less than 0.98~~
 211.31 ~~percent of the total public program revenue received by all eligible training sites shall be~~
 211.32 ~~reduced by an amount equal to the total value of the supplemental payment. For fiscal year~~
 211.33 ~~2016 and beyond, the distribution of funds shall be based solely on the public program~~
 211.34 ~~volume factor as described in paragraph (a).~~ Money appropriated through the state general
 211.35 fund, the health care access fund, and any additional fund for the purpose of funding medical

212.1 education and research costs and that does not require federal approval must be awarded
 212.2 only to eligible training sites that do not qualify for a medical education and research cost
 212.3 rate factor under sections 256.969, subdivision 2b, paragraph (k), or 256B.75, paragraph
 212.4 (b). The commissioner shall distribute the available medical education money appropriated
 212.5 to eligible training sites that do not qualify for a medical education and research cost rate
 212.6 factor based on a distribution formula determined by the commissioner. The distribution
 212.7 formula under this paragraph must consider clinical training costs, public program revenues,
 212.8 and other factors identified by the commissioner that address the objective of supporting
 212.9 clinical training.

212.10 (c) Funds distributed shall not be used to displace current funding appropriations from
 212.11 federal or state sources.

212.12 (d) Funds shall be distributed to the sponsoring institutions indicating the amount to be
 212.13 distributed to each of the sponsor's clinical medical education programs based on the criteria
 212.14 in this subdivision and in accordance with the commissioner's approval letter. Each clinical
 212.15 medical education program must distribute funds allocated under paragraphs (a) and (b) to
 212.16 the training sites as specified in the commissioner's approval letter. Sponsoring institutions,
 212.17 which are accredited through an organization recognized by the Department of Education
 212.18 or the Centers for Medicare and Medicaid Services, may contract directly with training sites
 212.19 to provide clinical training. To ensure the quality of clinical training, those accredited
 212.20 sponsoring institutions must:

212.21 (1) develop contracts specifying the terms, expectations, and outcomes of the clinical
 212.22 training conducted at sites; and

212.23 (2) take necessary action if the contract requirements are not met. Action may include
 212.24 ~~the withholding of payments~~ disqualifying the training site under this section or the removal
 212.25 of students from the site.

212.26 (e) Use of funds is limited to expenses related to eligible clinical training program costs
 212.27 ~~for eligible programs.~~ The commissioner shall develop a methodology for determining
 212.28 eligible costs.

212.29 (f) Any funds ~~not~~ that cannot be distributed in accordance with the commissioner's
 212.30 approval letter must be returned to the medical education and research fund within 30 days
 212.31 of receiving notice from the commissioner. ~~The commissioner shall distribute returned~~
 212.32 ~~funds to the appropriate training sites in accordance with the commissioner's approval letter.~~
 212.33 When appropriate, the commissioner shall include the undistributed money in the subsequent
 212.34 distribution cycle using the applicable methodology described in this subdivision.

213.1 ~~(g) A maximum of \$150,000 of the funds dedicated to the commissioner under section~~
 213.2 ~~297F.10, subdivision 1, clause (2), may be used by the commissioner for administrative~~
 213.3 ~~expenses associated with implementing this section.~~

213.4 Sec. 4. Minnesota Statutes 2022, section 62J.692, subdivision 5, is amended to read:

213.5 Subd. 5. **Report.** (a) Sponsoring institutions receiving funds under this section must
 213.6 ~~sign and~~ submit a medical education grant verification report (GVR) to verify that the correct
 213.7 grant amount was forwarded to each eligible training site. ~~If the sponsoring institution fails~~
 213.8 ~~to submit the GVR by the stated deadline, or to request and meet the deadline for an~~
 213.9 ~~extension, the sponsoring institution is required to return the full amount of funds received~~
 213.10 ~~to the commissioner within 30 days of receiving notice from the commissioner. The~~
 213.11 ~~commissioner shall distribute returned funds to the appropriate training sites in accordance~~
 213.12 ~~with the commissioner's approval letter.~~

213.13 (b) The reports must provide verification of the distribution of the funds and must include:

213.14 ~~(1) the total number of eligible trainee FTEs in each clinical medical education program;~~

213.15 ~~(2) the name of each funded program and, for each program, the dollar amount distributed~~
 213.16 ~~to each training site and a training site expenditure report;~~

213.17 ~~(3)~~ (1) documentation of any discrepancies between the ~~initial~~ grant distribution notice
 213.18 included in the commissioner's approval letter and the actual distribution;

213.19 ~~(4)~~ (2) a statement by the sponsoring institution stating that the completed grant
 213.20 verification report is valid and accurate; and

213.21 ~~(5)~~ (3) other information the commissioner deems appropriate to evaluate the effectiveness
 213.22 of the use of funds for medical education.

213.23 ~~(c) Each year, the commissioner shall provide an annual summary report to the legislature~~
 213.24 ~~on the implementation of this section. This report is exempt from section 144.05, subdivision~~
 213.25 ~~7.~~

213.26 Sec. 5. Minnesota Statutes 2022, section 62J.692, subdivision 8, is amended to read:

213.27 Subd. 8. **Federal financial participation.** The commissioner of human services shall
 213.28 seek to ~~maximize~~ federal financial participation in payments for the dedicated revenue for
 213.29 medical education and research costs provided under section 297F.10, subdivision 1, clause
 213.30 (2).

214.1 ~~The commissioner shall use physician clinic rates where possible to maximize federal~~
214.2 ~~financial participation. Any additional funds that become available must be distributed under~~
214.3 ~~subdivision 4, paragraph (a).~~

214.4 Sec. 6. Minnesota Statutes 2022, section 144.1501, subdivision 2, is amended to read:

214.5 Subd. 2. **Creation of account.** (a) A health professional education loan forgiveness
214.6 program account is established. The commissioner of health shall use money from the
214.7 account to establish a loan forgiveness program:

214.8 (1) for medical residents, mental health professionals, and alcohol and drug counselors
214.9 agreeing to practice in designated rural areas or underserved urban communities or
214.10 specializing in the area of ~~pediatric~~ psychiatry;

214.11 (2) for midlevel practitioners agreeing to practice in designated rural areas or to teach
214.12 at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program
214.13 at the undergraduate level or the equivalent at the graduate level;

214.14 (3) for nurses who agree to practice in a Minnesota nursing home; in an intermediate
214.15 care facility for persons with developmental disability; in a hospital if the hospital owns
214.16 and operates a Minnesota nursing home and a minimum of 50 percent of the hours worked
214.17 by the nurse is in the nursing home; ~~a housing with services establishment~~ in an assisted
214.18 living facility as defined in section ~~144D.01~~ 144G.08, subdivision 4 7; or for a home care
214.19 provider as defined in section 144A.43, subdivision 4; or agree to teach at least 12 credit
214.20 hours, or 720 hours per year in the nursing field in a postsecondary program at the
214.21 undergraduate level or the equivalent at the graduate level;

214.22 (4) for other health care technicians agreeing to teach at least 12 credit hours, or 720
214.23 hours per year in their designated field in a postsecondary program at the undergraduate
214.24 level or the equivalent at the graduate level. The commissioner, in consultation with the
214.25 Healthcare Education-Industry Partnership, shall determine the health care fields where the
214.26 need is the greatest, including, but not limited to, respiratory therapy, clinical laboratory
214.27 technology, radiologic technology, and surgical technology;

214.28 (5) for pharmacists, advanced dental therapists, dental therapists, and public health nurses
214.29 who agree to practice in designated rural areas; and

214.30 (6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient
214.31 encounters to state public program enrollees or patients receiving sliding fee schedule
214.32 discounts through a formal sliding fee schedule meeting the standards established by the

215.1 United States Department of Health and Human Services under Code of Federal Regulations,
215.2 title 42, section 51, chapter 303.

215.3 (b) Appropriations made to the account do not cancel and are available until expended,
215.4 except that at the end of each biennium, any remaining balance in the account that is not
215.5 committed by contract and not needed to fulfill existing commitments shall cancel to the
215.6 fund.

215.7 Sec. 7. Minnesota Statutes 2022, section 144.1501, subdivision 3, is amended to read:

215.8 Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program, an
215.9 individual must:

215.10 (1) be a medical or dental resident; be a licensed pharmacist; or be enrolled in a training
215.11 or education program or obtaining required supervision hours to become a dentist, dental
215.12 therapist, advanced dental therapist, mental health professional, alcohol and drug counselor,
215.13 pharmacist, public health nurse, midlevel practitioner, registered nurse, or a licensed practical
215.14 nurse. The commissioner may also consider applications submitted by graduates in eligible
215.15 professions who are licensed and in practice; and

215.16 (2) submit an application to the commissioner of health.

215.17 (b) An applicant selected to participate must sign a contract to agree to serve a minimum
215.18 three-year full-time service obligation according to subdivision 2, which shall begin no later
215.19 than March 31 following completion of required training, with the exception of a nurse,
215.20 who must agree to serve a minimum two-year full-time service obligation according to
215.21 subdivision 2, which shall begin no later than March 31 following completion of required
215.22 training.

215.23 Sec. 8. Minnesota Statutes 2022, section 144.1506, subdivision 4, is amended to read:

215.24 Subd. 4. **Consideration of expansion grant applications.** The commissioner shall
215.25 review each application to determine whether or not the residency program application is
215.26 complete and whether the proposed new residency program and any new residency slots
215.27 are eligible for a grant. The commissioner shall award grants to support up to six family
215.28 medicine, general internal medicine, or general pediatrics residents; ~~four~~ five psychiatry
215.29 residents; two geriatrics residents; and two general surgery residents. If insufficient
215.30 applications are received from any eligible specialty, funds may be redistributed to
215.31 applications from other eligible specialties.

216.1 Sec. 9. **[144.1507] PEDIATRIC PRIMARY CARE MENTAL HEALTH TRAINING;**
 216.2 **GRANT PROGRAM.**

216.3 **Subdivision 1. Establishment.** The commissioner of health shall award grants for the
 216.4 development of child mental health training programs that are located in outpatient primary
 216.5 care clinics. To be eligible for a grant, a training program must:

216.6 (1) focus on the training of pediatric primary care providers working with
 216.7 multidisciplinary mental health teams;

216.8 (2) provide training on conducting comprehensive clinical mental health assessments
 216.9 and potential pharmacological therapy;

216.10 (3) provide psychiatric consultation to pediatric primary care providers during their
 216.11 outpatient pediatric primary care experiences;

216.12 (4) emphasize longitudinal care for patients with behavioral health needs; and

216.13 (5) develop partnerships with community resources.

216.14 **Subd. 2. Child mental health training grant program.** (a) Child mental health training
 216.15 grants may be awarded to eligible primary care training programs to plan and implement
 216.16 new programs or expand existing programs in child mental health training.

216.17 (b) Funds may be spent to cover the costs of:

216.18 (1) planning related to implementing or expanding child mental health training in an
 216.19 outpatient primary care clinic setting;

216.20 (2) training site improvements, fees, equipment, and supplies required for implementation
 216.21 of the training programs; and

216.22 (3) supporting clinical training in the outpatient primary clinic sites.

216.23 **Subd. 3. Applications for child mental health training grants.** Eligible primary care
 216.24 training programs seeking a grant shall apply to the commissioner. Applications must include
 216.25 the location of the training; a description of the training program, including all costs
 216.26 associated with the training program; all sources of funds for the training program; detailed
 216.27 uses of all funds for the training program; the results expected; and a plan to maintain the
 216.28 training program after the grant period. The applicant must describe achievable objectives
 216.29 and a timetable for the training program.

216.30 **Subd. 4. Consideration of child mental health training grant applications.** The
 216.31 commissioner shall review each application to determine whether the application meets the

217.1 stated goals of the grant and shall award grants to support up to four training program
 217.2 proposals.

217.3 Subd. 5. **Program oversight.** During the grant period, the commissioner may require
 217.4 and collect from grantees any information necessary to evaluate the training program.

217.5 Sec. 10. **[144.1511] MENTAL HEALTH CULTURAL COMMUNITY CONTINUING**
 217.6 **EDUCATION GRANT PROGRAM.**

217.7 The mental health cultural community continuing education grant program is established
 217.8 in the Department of Health to provide grants for the continuing education necessary for
 217.9 social workers, marriage and family therapists, psychologists, and professional clinical
 217.10 counselors to become supervisors for individuals pursuing licensure in mental health
 217.11 professions. The commissioner must consult with the relevant mental health licensing boards
 217.12 in creating the program. To be eligible for a grant under this section, a social worker, marriage
 217.13 and family therapist, psychologist, or professional clinical counselor must:

217.14 (1) be a member of communities of color or an underrepresented community as defined
 217.15 in section 148E.010, subdivision 20; and

217.16 (2) work for a community mental health provider and agree to deliver at least 25 percent
 217.17 of their yearly patient encounters to state public program enrollees or patients receiving
 217.18 sliding fee schedule discounts through a formal sliding fee schedule meeting the standards
 217.19 established by the United States Department of Health and Human Services under Code of
 217.20 Federal Regulations, title 42, section 51c.303.

217.21 Sec. 11. **[144.1913] CLINICAL DENTAL EDUCATION INNOVATION GRANTS.**

217.22 (a) The commissioner shall award clinical dental education innovation grants to teaching
 217.23 institutions and clinical training sites for projects that increase dental access for underserved
 217.24 populations and promote innovative clinical training of dental professionals. In awarding
 217.25 the grants, the commissioner shall consider the following:

217.26 (1) potential to successfully increase access to dental services for an underserved
 217.27 population;

217.28 (2) the long-term viability of the project to improve access to dental services beyond
 217.29 the period of initial funding;

217.30 (3) evidence of collaboration between the applicant and local communities;

217.31 (4) efficiency in the use of grant funding; and

218.1 (5) the priority level of the project in relation to state education, access, and workforce
 218.2 goals.

218.3 (b) The commissioner shall periodically evaluate the priorities in awarding innovations
 218.4 grants under this section to ensure that the priorities meet the changing workforce needs of
 218.5 the state.

218.6 Sec. 12. Minnesota Statutes 2022, section 245.4663, subdivision 4, is amended to read:

218.7 Subd. 4. **Allowable uses of grant funds.** A mental health provider must use grant funds
 218.8 received under this section for one or more of the following:

218.9 (1) to pay for direct supervision hours for interns and clinical trainees, in an amount up
 218.10 to \$7,500 per intern or clinical trainee;

218.11 (2) to establish a program to provide supervision to multiple interns or clinical trainees;

218.12 ~~or~~

218.13 (3) to pay licensing application and examination fees for clinical trainees; or

218.14 (4) to provide a weekend training program for workers to become supervisors.

218.15 Sec. 13. Minnesota Statutes 2022, section 256.969, subdivision 2b, is amended to read:

218.16 Subd. 2b. **Hospital payment rates.** (a) For discharges occurring on or after November
 218.17 1, 2014, hospital inpatient services for hospitals located in Minnesota shall be paid according
 218.18 to the following:

218.19 (1) critical access hospitals as defined by Medicare shall be paid using a cost-based
 218.20 methodology;

218.21 (2) long-term hospitals as defined by Medicare shall be paid on a per diem methodology
 218.22 under subdivision 25;

218.23 (3) rehabilitation hospitals or units of hospitals that are recognized as rehabilitation
 218.24 distinct parts as defined by Medicare shall be paid according to the methodology under
 218.25 subdivision 12; and

218.26 (4) all other hospitals shall be paid on a diagnosis-related group (DRG) methodology.

218.27 (b) For the period beginning January 1, 2011, through October 31, 2014, rates shall not
 218.28 be rebased, except that a Minnesota long-term hospital shall be rebased effective January
 218.29 1, 2011, based on its most recent Medicare cost report ending on or before September 1,
 218.30 2008, with the provisions under subdivisions 9 and 23, based on the rates in effect on

219.1 December 31, 2010. For rate setting periods after November 1, 2014, in which the base
219.2 years are updated, a Minnesota long-term hospital's base year shall remain within the same
219.3 period as other hospitals.

219.4 (c) Effective for discharges occurring on and after November 1, 2014, payment rates
219.5 for hospital inpatient services provided by hospitals located in Minnesota or the local trade
219.6 area, except for the hospitals paid under the methodologies described in paragraph (a),
219.7 clauses (2) and (3), shall be rebased, incorporating cost and payment methodologies in a
219.8 manner similar to Medicare. The base year or years for the rates effective November 1,
219.9 2014, shall be calendar year 2012. The rebasing under this paragraph shall be budget neutral,
219.10 ensuring that the total aggregate payments under the rebased system are equal to the total
219.11 aggregate payments that were made for the same number and types of services in the base
219.12 year. Separate budget neutrality calculations shall be determined for payments made to
219.13 critical access hospitals and payments made to hospitals paid under the DRG system. Only
219.14 the rate increases or decreases under subdivision 3a or 3c that applied to the hospitals being
219.15 rebased during the entire base period shall be incorporated into the budget neutrality
219.16 calculation.

219.17 (d) For discharges occurring on or after November 1, 2014, through the next rebasing
219.18 that occurs, the rebased rates under paragraph (c) that apply to hospitals under paragraph
219.19 (a), clause (4), shall include adjustments to the projected rates that result in no greater than
219.20 a five percent increase or decrease from the base year payments for any hospital. Any
219.21 adjustments to the rates made by the commissioner under this paragraph and paragraph (e)
219.22 shall maintain budget neutrality as described in paragraph (c).

219.23 (e) For discharges occurring on or after November 1, 2014, the commissioner may make
219.24 additional adjustments to the rebased rates, and when evaluating whether additional
219.25 adjustments should be made, the commissioner shall consider the impact of the rates on the
219.26 following:

219.27 (1) pediatric services;

219.28 (2) behavioral health services;

219.29 (3) trauma services as defined by the National Uniform Billing Committee;

219.30 (4) transplant services;

219.31 (5) obstetric services, newborn services, and behavioral health services provided by
219.32 hospitals outside the seven-county metropolitan area;

219.33 (6) outlier admissions;

220.1 (7) low-volume providers; and

220.2 (8) services provided by small rural hospitals that are not critical access hospitals.

220.3 (f) Hospital payment rates established under paragraph (c) must incorporate the following:

220.4 (1) for hospitals paid under the DRG methodology, the base year payment rate per
220.5 admission is standardized by the applicable Medicare wage index and adjusted by the
220.6 hospital's disproportionate population adjustment;

220.7 (2) for critical access hospitals, payment rates for discharges between November 1, 2014,
220.8 and June 30, 2015, shall be set to the same rate of payment that applied for discharges on
220.9 October 31, 2014;

220.10 (3) the cost and charge data used to establish hospital payment rates must only reflect
220.11 inpatient services covered by medical assistance; and

220.12 (4) in determining hospital payment rates for discharges occurring on or after the rate
220.13 year beginning January 1, 2011, through December 31, 2012, the hospital payment rate per
220.14 discharge shall be based on the cost-finding methods and allowable costs of the Medicare
220.15 program in effect during the base year or years. In determining hospital payment rates for
220.16 discharges in subsequent base years, the per discharge rates shall be based on the cost-finding
220.17 methods and allowable costs of the Medicare program in effect during the base year or
220.18 years.

220.19 (g) The commissioner shall validate the rates effective November 1, 2014, by applying
220.20 the rates established under paragraph (c), and any adjustments made to the rates under
220.21 paragraph (d) or (e), to hospital claims paid in calendar year 2013 to determine whether the
220.22 total aggregate payments for the same number and types of services under the rebased rates
220.23 are equal to the total aggregate payments made during calendar year 2013.

220.24 (h) Effective for discharges occurring on or after July 1, 2017, and every two years
220.25 thereafter, payment rates under this section shall be rebased to reflect only those changes
220.26 in hospital costs between the existing base year or years and the next base year or years. In
220.27 any year that inpatient claims volume falls below the threshold required to ensure a
220.28 statistically valid sample of claims, the commissioner may combine claims data from two
220.29 consecutive years to serve as the base year. Years in which inpatient claims volume is
220.30 reduced or altered due to a pandemic or other public health emergency shall not be used as
220.31 a base year or part of a base year if the base year includes more than one year. Changes in
220.32 costs between base years shall be measured using the lower of the hospital cost index defined
220.33 in subdivision 1, paragraph (a), or the percentage change in the case mix adjusted cost per

221.1 claim. The commissioner shall establish the base year for each rebasing period considering
221.2 the most recent year or years for which filed Medicare cost reports are available. The
221.3 estimated change in the average payment per hospital discharge resulting from a scheduled
221.4 rebasing must be calculated and made available to the legislature by January 15 of each
221.5 year in which rebasing is scheduled to occur, and must include by hospital the differential
221.6 in payment rates compared to the individual hospital's costs.

221.7 (i) Effective for discharges occurring on or after July 1, 2015, inpatient payment rates
221.8 for critical access hospitals located in Minnesota or the local trade area shall be determined
221.9 using a new cost-based methodology. The commissioner shall establish within the
221.10 methodology tiers of payment designed to promote efficiency and cost-effectiveness.
221.11 Payment rates for hospitals under this paragraph shall be set at a level that does not exceed
221.12 the total cost for critical access hospitals as reflected in base year cost reports. Until the
221.13 next rebasing that occurs, the new methodology shall result in no greater than a five percent
221.14 decrease from the base year payments for any hospital, except a hospital that had payments
221.15 that were greater than 100 percent of the hospital's costs in the base year shall have their
221.16 rate set equal to 100 percent of costs in the base year. The rates paid for discharges on and
221.17 after July 1, 2016, covered under this paragraph shall be increased by the inflation factor
221.18 in subdivision 1, paragraph (a). The new cost-based rate shall be the final rate and shall not
221.19 be settled to actual incurred costs. Hospitals shall be assigned a payment tier based on the
221.20 following criteria:

221.21 (1) hospitals that had payments at or below 80 percent of their costs in the base year
221.22 shall have a rate set that equals 85 percent of their base year costs;

221.23 (2) hospitals that had payments that were above 80 percent, up to and including 90
221.24 percent of their costs in the base year shall have a rate set that equals 95 percent of their
221.25 base year costs; and

221.26 (3) hospitals that had payments that were above 90 percent of their costs in the base year
221.27 shall have a rate set that equals 100 percent of their base year costs.

221.28 (j) The commissioner may refine the payment tiers and criteria for critical access hospitals
221.29 to coincide with the next rebasing under paragraph (h). The factors used to develop the new
221.30 methodology may include, but are not limited to:

221.31 (1) the ratio between the hospital's costs for treating medical assistance patients and the
221.32 hospital's charges to the medical assistance program;

222.1 (2) the ratio between the hospital's costs for treating medical assistance patients and the
222.2 hospital's payments received from the medical assistance program for the care of medical
222.3 assistance patients;

222.4 (3) the ratio between the hospital's charges to the medical assistance program and the
222.5 hospital's payments received from the medical assistance program for the care of medical
222.6 assistance patients;

222.7 (4) the statewide average increases in the ratios identified in clauses (1), (2), and (3);

222.8 (5) the proportion of that hospital's costs that are administrative and trends in
222.9 administrative costs; and

222.10 (6) geographic location.

222.11 (k) Effective for discharges occurring on or after January 1, 2024, the rates paid to
222.12 hospitals described in paragraph (a), clauses (2) to (4), must include a rate factor specific
222.13 to each hospital that qualifies for a medical education and research cost distribution under
222.14 section 62J.692 subdivision 4, paragraph (a).

222.15 Sec. 14. Minnesota Statutes 2022, section 256B.75, is amended to read:

222.16 **256B.75 HOSPITAL OUTPATIENT REIMBURSEMENT.**

222.17 (a) For outpatient hospital facility fee payments for services rendered on or after October
222.18 1, 1992, the commissioner of human services shall pay the lower of (1) submitted charge,
222.19 or (2) 32 percent above the rate in effect on June 30, 1992, except for those services for
222.20 which there is a federal maximum allowable payment. Effective for services rendered on
222.21 or after January 1, 2000, payment rates for nonsurgical outpatient hospital facility fees and
222.22 emergency room facility fees shall be increased by eight percent over the rates in effect on
222.23 December 31, 1999, except for those services for which there is a federal maximum allowable
222.24 payment. Services for which there is a federal maximum allowable payment shall be paid
222.25 at the lower of (1) submitted charge, or (2) the federal maximum allowable payment. Total
222.26 aggregate payment for outpatient hospital facility fee services shall not exceed the Medicare
222.27 upper limit. If it is determined that a provision of this section conflicts with existing or
222.28 future requirements of the United States government with respect to federal financial
222.29 participation in medical assistance, the federal requirements prevail. The commissioner
222.30 may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial
222.31 participation resulting from rates that are in excess of the Medicare upper limitations.

222.32 (b) Notwithstanding paragraph (a), payment for outpatient, emergency, and ambulatory
222.33 surgery hospital facility fee services for critical access hospitals designated under section

223.1 144.1483, clause (9), shall be paid on a cost-based payment system that is based on the
223.2 cost-finding methods and allowable costs of the Medicare program. Effective for services
223.3 provided on or after July 1, 2015, rates established for critical access hospitals under this
223.4 paragraph for the applicable payment year shall be the final payment and shall not be settled
223.5 to actual costs. Effective for services delivered on or after the first day of the hospital's fiscal
223.6 year ending in 2017, the rate for outpatient hospital services shall be computed using
223.7 information from each hospital's Medicare cost report as filed with Medicare for the year
223.8 that is two years before the year that the rate is being computed. Rates shall be computed
223.9 using information from Worksheet C series until the department finalizes the medical
223.10 assistance cost reporting process for critical access hospitals. After the cost reporting process
223.11 is finalized, rates shall be computed using information from Title XIX Worksheet D series.
223.12 The outpatient rate shall be equal to ancillary cost plus outpatient cost, excluding costs
223.13 related to rural health clinics and federally qualified health clinics, divided by ancillary
223.14 charges plus outpatient charges, excluding charges related to rural health clinics and federally
223.15 qualified health clinics. Effective for services delivered on or after January 1, 2024, the
223.16 rates paid to critical access hospitals under this section must be adjusted to include the
223.17 amount of any distributions under section 62J.692, subdivision 4, paragraph (a), that were
223.18 not included in the rate adjustment described under section 256.969, subdivision 2b,
223.19 paragraph (k).

223.20 (c) Effective for services provided on or after July 1, 2003, rates that are based on the
223.21 Medicare outpatient prospective payment system shall be replaced by a budget neutral
223.22 prospective payment system that is derived using medical assistance data. The commissioner
223.23 shall provide a proposal to the 2003 legislature to define and implement this provision.
223.24 When implementing prospective payment methodologies, the commissioner shall use general
223.25 methods and rate calculation parameters similar to the applicable Medicare prospective
223.26 payment systems for services delivered in outpatient hospital and ambulatory surgical center
223.27 settings unless other payment methodologies for these services are specified in this chapter.

223.28 (d) For fee-for-service services provided on or after July 1, 2002, the total payment,
223.29 before third-party liability and spenddown, made to hospitals for outpatient hospital facility
223.30 services is reduced by .5 percent from the current statutory rate.

223.31 (e) In addition to the reduction in paragraph (d), the total payment for fee-for-service
223.32 services provided on or after July 1, 2003, made to hospitals for outpatient hospital facility
223.33 services before third-party liability and spenddown, is reduced five percent from the current
223.34 statutory rates. Facilities defined under section 256.969, subdivision 16, are excluded from
223.35 this paragraph.

224.1 (f) In addition to the reductions in paragraphs (d) and (e), the total payment for
 224.2 fee-for-service services provided on or after July 1, 2008, made to hospitals for outpatient
 224.3 hospital facility services before third-party liability and spenddown, is reduced three percent
 224.4 from the current statutory rates. Mental health services and facilities defined under section
 224.5 256.969, subdivision 16, are excluded from this paragraph.

224.6 Sec. 15. Minnesota Statutes 2022, section 297F.10, subdivision 1, is amended to read:

224.7 Subdivision 1. **Tax and use tax on cigarettes.** Revenue received from cigarette taxes,
 224.8 as well as related penalties, interest, license fees, and miscellaneous sources of revenue
 224.9 shall be deposited by the commissioner in the state treasury and credited as follows:

224.10 (1) \$22,250,000 each year must be credited to the Academic Health Center special
 224.11 revenue fund hereby created and is annually appropriated to the Board of Regents at the
 224.12 University of Minnesota for Academic Health Center funding at the University of Minnesota;
 224.13 and

224.14 (2) ~~\$3,937,000~~ \$3,788,000 each year must be credited to the medical education and
 224.15 research costs account hereby created in the special revenue fund and is annually appropriated
 224.16 to the commissioner of health for distribution under section 62J.692, subdivision 4, paragraph
 224.17 (a); and

224.18 (3) the balance of the revenues derived from taxes, penalties, and interest (under this
 224.19 chapter) and from license fees and miscellaneous sources of revenue shall be credited to
 224.20 the general fund.

224.21 Sec. 16. **REPEALER.**

224.22 Minnesota Statutes 2022, sections 62J.692, subdivisions 4a, 7, and 7a; 137.38, subdivision
 224.23 1; and 256B.69, subdivision 5c, are repealed.

224.24 ARTICLE 6

224.25 HEALTH LICENSING BOARDS

224.26 Section 1. Minnesota Statutes 2022, section 144E.001, subdivision 1, is amended to read:

224.27 Subdivision 1. **Scope.** For the purposes of ~~sections 144E.001 to 144E.52~~ this chapter,
 224.28 the terms defined in this section have the meanings given them.

225.1 Sec. 2. Minnesota Statutes 2022, section 144E.001, is amended by adding a subdivision
225.2 to read:

225.3 Subd. 8b. **Medical resource communication center.** "Medical resource communication
225.4 center" means an entity that:

225.5 (1) facilitates hospital-to-ambulance communications for ambulance services, the regional
225.6 emergency medical services systems, and the board by coordinating patient care and
225.7 transportation for ground and air operations;

225.8 (2) is integrated with the state's Allied Radio Matrix for Emergency Response (ARMER)
225.9 radio system; and

225.10 (3) is the point of contact and a communication resource for statewide public safety
225.11 entities, hospitals, and communities.

225.12 Sec. 3. Minnesota Statutes 2022, section 144E.35, is amended to read:

225.13 **144E.35 REIMBURSEMENT TO ~~NONPROFIT~~ AMBULANCE SERVICES FOR**
225.14 **VOLUNTEER EDUCATION COSTS.**

225.15 Subdivision 1. **Repayment for volunteer education.** A licensed ambulance service
225.16 shall be reimbursed by the board for the necessary expense of the initial education of a
225.17 volunteer ambulance attendant upon successful completion by the attendant of an EMT
225.18 education course, or a continuing education course for EMT care, or both, which has been
225.19 approved by the board, pursuant to section 144E.285. Reimbursement may include tuition,
225.20 transportation, food, lodging, hourly payment for the time spent in the education course,
225.21 and other necessary expenditures, except that in no instance shall a volunteer ambulance
225.22 attendant be reimbursed more than ~~\$600~~ \$900 for successful completion of an initial
225.23 education course, and ~~\$275~~ \$375 for successful completion of a continuing education course.

225.24 Subd. 2. **Reimbursement provisions.** Reimbursement ~~will~~ must be paid under provisions
225.25 of this section when documentation is provided the board that the individual has served for
225.26 one year from the date of the final certification exam as an active member of a Minnesota
225.27 licensed ambulance service.

225.28 Sec. 4. **[144E.53] MEDICAL RESOURCE COMMUNICATION CENTER GRANTS.**

225.29 The board shall distribute medical resource communication center grants annually on a
225.30 contract basis to the two medical resource communication centers that were in operation in
225.31 the state prior to January 1, 2000.

226.1 Sec. 5. Minnesota Statutes 2022, section 148B.392, subdivision 2, is amended to read:

226.2 Subd. 2. **Licensure and application fees.** Licensure and application fees established
226.3 by the board shall not exceed the following amounts:

226.4 (1) application fee for national examination is \$110;

226.5 (2) application fee for Licensed Marriage and Family Therapist (LMFT) state examination
226.6 is \$110;

226.7 (3) initial LMFT license fee is prorated, but cannot exceed ~~\$125~~ \$225;

226.8 (4) annual renewal fee for LMFT license is \$125;

226.9 (5) late fee for LMFT license renewal is \$50;

226.10 (6) application fee for LMFT licensure by reciprocity is \$220;

226.11 (7) fee for initial Licensed Associate Marriage and Family Therapist (LAMFT) license
226.12 is \$75;

226.13 (8) annual renewal fee for LAMFT license is \$75;

226.14 (9) late fee for LAMFT renewal is \$25;

226.15 (10) fee for reinstatement of license is \$150;

226.16 (11) fee for emeritus status is \$125; and

226.17 (12) fee for temporary license for members of the military is \$100.

226.18 Sec. 6. Minnesota Statutes 2022, section 150A.08, subdivision 1, is amended to read:

226.19 Subdivision 1. **Grounds.** The board may refuse or by order suspend or revoke, limit or
226.20 modify by imposing conditions it deems necessary, the license of a dentist, dental therapist,
226.21 dental hygienist, or dental ~~assisting~~ assistant upon any of the following grounds:

226.22 (1) fraud or deception in connection with the practice of dentistry or the securing of a
226.23 license certificate;

226.24 (2) conviction, including a finding or verdict of guilt, an admission of guilt, or a no
226.25 contest plea, in any court of a felony or gross misdemeanor reasonably related to the practice
226.26 of dentistry as evidenced by a certified copy of the conviction;

226.27 (3) conviction, including a finding or verdict of guilt, an admission of guilt, or a no
226.28 contest plea, in any court of an offense involving moral turpitude as evidenced by a certified
226.29 copy of the conviction;

- 227.1 (4) habitual overindulgence in the use of intoxicating liquors;
- 227.2 (5) improper or unauthorized prescription, dispensing, administering, or personal or
227.3 other use of any legend drug as defined in chapter 151, of any chemical as defined in chapter
227.4 151, or of any controlled substance as defined in chapter 152;
- 227.5 (6) conduct unbecoming a person licensed to practice dentistry, dental therapy, dental
227.6 hygiene, or dental assisting, or conduct contrary to the best interest of the public, as such
227.7 conduct is defined by the rules of the board;
- 227.8 (7) gross immorality;
- 227.9 (8) any physical, mental, emotional, or other disability which adversely affects a dentist's,
227.10 dental therapist's, dental hygienist's, or dental assistant's ability to perform the service for
227.11 which the person is licensed;
- 227.12 (9) revocation or suspension of a license or equivalent authority to practice, or other
227.13 disciplinary action or denial of a license application taken by a licensing or credentialing
227.14 authority of another state, territory, or country as evidenced by a certified copy of the
227.15 licensing authority's order, if the disciplinary action or application denial was based on facts
227.16 that would provide a basis for disciplinary action under this chapter and if the action was
227.17 taken only after affording the credentialed person or applicant notice and opportunity to
227.18 refute the allegations or pursuant to stipulation or other agreement;
- 227.19 (10) failure to maintain adequate safety and sanitary conditions for a dental office in
227.20 accordance with the standards established by the rules of the board;
- 227.21 (11) employing, assisting, or enabling in any manner an unlicensed person to practice
227.22 dentistry;
- 227.23 (12) failure or refusal to attend, testify, and produce records as directed by the board
227.24 under subdivision 7;
- 227.25 (13) violation of, or failure to comply with, any other provisions of sections 150A.01 to
227.26 150A.12, the rules of the Board of Dentistry, or any disciplinary order issued by the board,
227.27 sections 144.291 to 144.298 or 595.02, subdivision 1, paragraph (d), or for any other just
227.28 cause related to the practice of dentistry. Suspension, revocation, modification or limitation
227.29 of any license shall not be based upon any judgment as to therapeutic or monetary value of
227.30 any individual drug prescribed or any individual treatment rendered, but only upon a repeated
227.31 pattern of conduct;

228.1 (14) knowingly providing false or misleading information that is directly related to the
228.2 care of that patient unless done for an accepted therapeutic purpose such as the administration
228.3 of a placebo; or

228.4 (15) aiding suicide or aiding attempted suicide in violation of section 609.215 as
228.5 established by any of the following:

228.6 (i) a copy of the record of criminal conviction or plea of guilty for a felony in violation
228.7 of section 609.215, subdivision 1 or 2;

228.8 (ii) a copy of the record of a judgment of contempt of court for violating an injunction
228.9 issued under section 609.215, subdivision 4;

228.10 (iii) a copy of the record of a judgment assessing damages under section 609.215,
228.11 subdivision 5; or

228.12 (iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2.
228.13 The board shall investigate any complaint of a violation of section 609.215, subdivision 1
228.14 or 2.

228.15 Sec. 7. Minnesota Statutes 2022, section 150A.08, subdivision 5, is amended to read:

228.16 Subd. 5. **Medical examinations.** If the board has probable cause to believe that a dentist,
228.17 dental therapist, dental hygienist, dental assistant, or applicant engages in acts described in
228.18 subdivision 1, clause (4) or (5), or has a condition described in subdivision 1, clause (8), it
228.19 shall direct the dentist, dental therapist, dental hygienist, dental assistant, or applicant to
228.20 submit to a mental or physical examination or a substance use disorder assessment. For the
228.21 purpose of this subdivision, every dentist, dental therapist, dental hygienist, or dental assistant
228.22 licensed under this chapter or person submitting an application for a license is deemed to
228.23 have given consent to submit to a mental or physical examination when directed in writing
228.24 by the board and to have waived all objections in any proceeding under this section to the
228.25 admissibility of the examining physician's testimony or examination reports on the ground
228.26 that they constitute a privileged communication. Failure to submit to an examination without
228.27 just cause may result in an application being denied or a default and final order being entered
228.28 without the taking of testimony or presentation of evidence, other than evidence which may
228.29 be submitted by affidavit, that the licensee or applicant did not submit to the examination.
228.30 A dentist, dental therapist, dental hygienist, dental assistant, or applicant affected under this
228.31 section shall at reasonable intervals be afforded an opportunity to demonstrate ability to
228.32 start or resume the competent practice of dentistry or perform the duties of a dental therapist,
228.33 dental hygienist, or dental assistant with reasonable skill and safety to patients. In any

229.1 proceeding under this subdivision, neither the record of proceedings nor the orders entered
229.2 by the board is admissible, is subject to subpoena, or may be used against the dentist, dental
229.3 therapist, dental hygienist, dental assistant, or applicant in any proceeding not commenced
229.4 by the board. Information obtained under this subdivision shall be classified as private
229.5 pursuant to the Minnesota Government Data Practices Act.

229.6 Sec. 8. Minnesota Statutes 2022, section 150A.091, is amended by adding a subdivision
229.7 to read:

229.8 Subd. 23. **Mailing list services.** Each licensee must submit a nonrefundable \$5 fee to
229.9 request a mailing address list.

229.10 Sec. 9. Minnesota Statutes 2022, section 150A.13, subdivision 10, is amended to read:

229.11 **Subd. 10. Failure to report.** ~~On or after August 1, 2012,~~ Any person, institution, insurer,
229.12 or organization that fails to report as required under subdivisions 2 to 6 shall be subject to
229.13 civil penalties for failing to report as required by law.

229.14 Sec. 10. Minnesota Statutes 2022, section 151.065, subdivision 1, is amended to read:

229.15 **Subdivision 1. Application fees.** Application fees for licensure and registration are as
229.16 follows:

229.17 (1) pharmacist licensed by examination, ~~\$175~~ \$225;

229.18 (2) pharmacist licensed by reciprocity, ~~\$275~~ \$300;

229.19 (3) pharmacy intern, \$50;

229.20 (4) pharmacy technician, \$50;

229.21 (5) pharmacy, ~~\$260~~ \$450;

229.22 (6) drug wholesaler, legend drugs only, ~~\$5,260~~ \$5,500;

229.23 (7) drug wholesaler, legend and nonlegend drugs, ~~\$5,260~~ \$5,500;

229.24 (8) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, ~~\$5,260~~ \$5,500;

229.25 (9) drug wholesaler, medical gases, ~~\$5,260~~ \$5,500 for the first facility and ~~\$260~~ \$500
229.26 for each additional facility;

229.27 (10) third-party logistics provider, \$260;

229.28 (11) drug manufacturer, nonopiate legend drugs only, ~~\$5,260~~ \$5,500;

229.29 (12) drug manufacturer, nonopiate legend and nonlegend drugs, ~~\$5,260~~ \$5,500;

- 230.1 (13) drug manufacturer, nonlegend or veterinary legend drugs, ~~\$5,260~~ \$5,500;
- 230.2 (14) drug manufacturer, medical gases, ~~\$5,260~~ \$5,500 for the first facility and ~~\$260~~
- 230.3 \$500 for each additional facility;
- 230.4 (15) drug manufacturer, also licensed as a pharmacy in Minnesota, ~~\$5,260~~ \$5,500;
- 230.5 (16) drug manufacturer of opiate-containing controlled substances listed in section
- 230.6 152.02, subdivisions 3 to 5, ~~\$55,260~~ \$55,500;
- 230.7 (17) medical gas dispenser, ~~\$260~~ \$400;
- 230.8 (18) controlled substance researcher, \$75; and
- 230.9 (19) pharmacy professional corporation, \$150.
- 230.10 Sec. 11. Minnesota Statutes 2022, section 151.065, subdivision 2, is amended to read:
- 230.11 Subd. 2. **Original license fee.** The pharmacist original licensure fee, ~~\$175~~ \$225.
- 230.12 Sec. 12. Minnesota Statutes 2022, section 151.065, subdivision 3, is amended to read:
- 230.13 Subd. 3. **Annual renewal fees.** Annual licensure and registration renewal fees are as
- 230.14 follows:
- 230.15 (1) pharmacist, ~~\$175~~ \$225;
- 230.16 (2) pharmacy technician, \$50;
- 230.17 (3) pharmacy, ~~\$260~~ \$450;
- 230.18 (4) drug wholesaler, legend drugs only, ~~\$5,260~~ \$5,500;
- 230.19 (5) drug wholesaler, legend and nonlegend drugs, ~~\$5,260~~ \$5,500;
- 230.20 (6) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, ~~\$5,260~~ \$5,500;
- 230.21 (7) drug wholesaler, medical gases, ~~\$5,260~~ \$5,500 for the first facility and ~~\$260~~ \$500
- 230.22 for each additional facility;
- 230.23 (8) third-party logistics provider, \$260;
- 230.24 (9) drug manufacturer, nonopiate legend drugs only, ~~\$5,260~~ \$5,500;
- 230.25 (10) drug manufacturer, nonopiate legend and nonlegend drugs, ~~\$5,260~~ \$5,500;
- 230.26 (11) drug manufacturer, nonlegend, veterinary legend drugs, or both, ~~\$5,260~~ \$5,500;
- 230.27 (12) drug manufacturer, medical gases, ~~\$5,260~~ \$5,500 for the first facility and ~~\$260~~
- 230.28 \$500 for each additional facility;

231.1 (13) drug manufacturer, also licensed as a pharmacy in Minnesota, ~~\$5,260~~ \$5,500;

231.2 (14) drug manufacturer of opiate-containing controlled substances listed in section
231.3 152.02, subdivisions 3 to 5, ~~\$55,260~~ \$55,500;

231.4 (15) medical gas dispenser, ~~\$260~~ \$400;

231.5 (16) controlled substance researcher, \$75; and

231.6 (17) pharmacy professional corporation, \$100.

231.7 Sec. 13. Minnesota Statutes 2022, section 151.555, is amended to read:

231.8 **151.555 ~~PRESCRIPTION DRUG~~ MEDICATION REPOSITORY PROGRAM.**

231.9 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this
231.10 subdivision have the meanings given.

231.11 (b) "Central repository" means a wholesale distributor that meets the requirements under
231.12 subdivision 3 and enters into a contract with the Board of Pharmacy in accordance with this
231.13 section.

231.14 (c) "Distribute" means to deliver, other than by administering or dispensing.

231.15 (d) "Donor" means:

231.16 (1) a health care facility as defined in this subdivision;

231.17 (2) a skilled nursing facility licensed under chapter 144A;

231.18 (3) an assisted living facility licensed under chapter 144G;

231.19 (4) a pharmacy licensed under section 151.19, and located either in the state or outside
231.20 the state;

231.21 (5) a drug wholesaler licensed under section 151.47;

231.22 (6) a drug manufacturer licensed under section 151.252; or

231.23 (7) an individual at least 18 years of age, provided that the drug or medical supply that
231.24 is donated was obtained legally and meets the requirements of this section for donation.

231.25 (e) "Drug" means any prescription drug that has been approved for medical use in the
231.26 United States, is listed in the United States Pharmacopoeia or National Formulary, and
231.27 meets the criteria established under this section for donation; or any over-the-counter
231.28 medication that meets the criteria established under this section for donation. This definition
231.29 includes cancer drugs and antirejection drugs, but does not include controlled substances,
231.30 as defined in section 152.01, subdivision 4, or a prescription drug that can only be dispensed

232.1 to a patient registered with the drug's manufacturer in accordance with federal Food and
232.2 Drug Administration requirements.

232.3 (f) "Health care facility" means:

232.4 (1) a physician's office or health care clinic where licensed practitioners provide health
232.5 care to patients;

232.6 (2) a hospital licensed under section 144.50;

232.7 (3) a pharmacy licensed under section 151.19 and located in Minnesota; or

232.8 (4) a nonprofit community clinic, including a federally qualified health center; a rural
232.9 health clinic; public health clinic; or other community clinic that provides health care utilizing
232.10 a sliding fee scale to patients who are low-income, uninsured, or underinsured.

232.11 (g) "Local repository" means a health care facility that elects to accept donated drugs
232.12 and medical supplies and meets the requirements of subdivision 4.

232.13 (h) "Medical supplies" or "supplies" means any prescription ~~and~~ or nonprescription
232.14 medical supplies needed to administer a ~~prescription~~ drug.

232.15 (i) "Original, sealed, unopened, tamper-evident packaging" means packaging that is
232.16 sealed, unopened, and tamper-evident, including a manufacturer's original unit dose or
232.17 unit-of-use container, a repackager's original unit dose or unit-of-use container, or unit-dose
232.18 packaging prepared by a licensed pharmacy according to the standards of Minnesota Rules,
232.19 part 6800.3750.

232.20 (j) "Practitioner" has the meaning given in section 151.01, subdivision 23, except that
232.21 it does not include a veterinarian.

232.22 Subd. 2. **Establishment; contract and oversight.** ~~By January 1, 2020,~~ (a) The Board
232.23 of Pharmacy shall establish a ~~drug~~ medication repository program, through which donors
232.24 may donate a drug or medical supply for use by an individual who meets the eligibility
232.25 criteria specified under subdivision 5.

232.26 (b) The board shall contract with a central repository that meets the requirements of
232.27 subdivision 3 to implement and administer the ~~prescription drug~~ medication repository
232.28 program. The contract must:

232.29 (1) require the board to transfer to the central repository any money appropriated by the
232.30 legislature for the purpose of operating the medication repository program and require the
232.31 central repository to spend any money transferred only for purposes specified in the contract;

233.1 (2) require the central repository to report the following performance measures to the
 233.2 board:

233.3 (i) the number of individuals served and the types of medications these individuals
 233.4 received;

233.5 (ii) the number of clinics, pharmacies, and long-term care facilities with which the central
 233.6 repository partnered;

233.7 (iii) the number and cost of medications accepted for inventory, disposed of, and
 233.8 dispensed to individuals in need; and

233.9 (iv) locations within the state to which medications were shipped or delivered; and

233.10 (3) require the board to annually audit the expenditure by the central repository of any
 233.11 money appropriated by the legislature and transferred by the board to ensure that this money
 233.12 is used only for purposes specified in the contract.

233.13 **Subd. 3. Central repository requirements.** (a) The board may publish a request for
 233.14 proposal for participants who meet the requirements of this subdivision and are interested
 233.15 in acting as the central repository for the ~~drug~~ medication repository program. If the board
 233.16 publishes a request for proposal, it shall follow all applicable state procurement procedures
 233.17 in the selection process. The board may also work directly with the University of Minnesota
 233.18 to establish a central repository.

233.19 (b) To be eligible to act as the central repository, the participant must be a wholesale
 233.20 drug distributor located in Minnesota, licensed pursuant to section 151.47, and in compliance
 233.21 with all applicable federal and state statutes, rules, and regulations.

233.22 (c) The central repository shall be subject to inspection by the board pursuant to section
 233.23 151.06, subdivision 1.

233.24 (d) The central repository shall comply with all applicable federal and state laws, rules,
 233.25 and regulations pertaining to the ~~drug~~ medication repository program, drug storage, and
 233.26 dispensing. The facility must maintain in good standing any state license or registration that
 233.27 applies to the facility.

233.28 **Subd. 4. Local repository requirements.** (a) To be eligible for participation in the ~~drug~~
 233.29 medication repository program, a health care facility must agree to comply with all applicable
 233.30 federal and state laws, rules, and regulations pertaining to the ~~drug~~ medication repository
 233.31 program, drug storage, and dispensing. The facility must also agree to maintain in good
 233.32 standing any required state license or registration that may apply to the facility.

234.1 (b) A local repository may elect to participate in the program by submitting the following
234.2 information to the central repository on a form developed by the board and made available
234.3 on the board's website:

234.4 (1) the name, street address, and telephone number of the health care facility and any
234.5 state-issued license or registration number issued to the facility, including the issuing state
234.6 agency;

234.7 (2) the name and telephone number of a responsible pharmacist or practitioner who is
234.8 employed by or under contract with the health care facility; and

234.9 (3) a statement signed and dated by the responsible pharmacist or practitioner indicating
234.10 that the health care facility meets the eligibility requirements under this section and agrees
234.11 to comply with this section.

234.12 (c) Participation in the ~~drug~~ medication repository program is voluntary. A local
234.13 repository may withdraw from participation in the ~~drug~~ medication repository program at
234.14 any time by providing written notice to the central repository on a form developed by the
234.15 board and made available on the board's website. The central repository shall provide the
234.16 board with a copy of the withdrawal notice within ten business days from the date of receipt
234.17 of the withdrawal notice.

234.18 **Subd. 5. Individual eligibility and application requirements.** (a) To be eligible for
234.19 the ~~drug~~ medication repository program, an individual must submit to a local repository an
234.20 intake application form that is signed by the individual and attests that the individual:

234.21 (1) is a resident of Minnesota;

234.22 (2) is uninsured and is not enrolled in the medical assistance program under chapter
234.23 256B or the MinnesotaCare program under chapter 256L, has no prescription drug coverage,
234.24 or is underinsured;

234.25 (3) acknowledges that the drugs or medical supplies to be received through the program
234.26 may have been donated; and

234.27 (4) consents to a waiver of the child-resistant packaging requirements of the federal
234.28 Poison Prevention Packaging Act.

234.29 (b) Upon determining that an individual is eligible for the program, the local repository
234.30 shall furnish the individual with an identification card. The card shall be valid for one year
234.31 from the date of issuance and may be used at any local repository. A new identification card
234.32 may be issued upon expiration once the individual submits a new application form.

235.1 (c) The local repository shall send a copy of the intake application form to the central
235.2 repository by regular mail, facsimile, or secured email within ten days from the date the
235.3 application is approved by the local repository.

235.4 (d) The board shall develop and make available on the board's website an application
235.5 form and the format for the identification card.

235.6 **Subd. 6. Standards and procedures for accepting donations of drugs and supplies. (a)**
235.7 A donor may donate ~~prescription~~ drugs or medical supplies to the central repository or a
235.8 local repository if the drug or supply meets the requirements of this section as determined
235.9 by a pharmacist or practitioner who is employed by or under contract with the central
235.10 repository or a local repository.

235.11 (b) A ~~prescription~~ drug is eligible for donation under the drug medication repository
235.12 program if the following requirements are met:

235.13 (1) the donation is accompanied by a drug medication repository donor form described
235.14 under paragraph (d) that is signed by an individual who is authorized by the donor to attest
235.15 to the donor's knowledge in accordance with paragraph (d);

235.16 (2) the drug's expiration date is at least six months after the date the drug was donated.
235.17 If a donated drug bears an expiration date that is less than six months from the donation
235.18 date, the drug may be accepted and distributed if the drug is in high demand and can be
235.19 dispensed for use by a patient before the drug's expiration date;

235.20 (3) the drug is in its original, sealed, unopened, tamper-evident packaging that includes
235.21 the expiration date. Single-unit-dose drugs may be accepted if the single-unit-dose packaging
235.22 is unopened;

235.23 (4) the drug or the packaging does not have any physical signs of tampering, misbranding,
235.24 deterioration, compromised integrity, or adulteration;

235.25 (5) the drug does not require storage temperatures other than normal room temperature
235.26 as specified by the manufacturer or United States Pharmacopoeia, unless the drug is being
235.27 donated directly by its manufacturer, a wholesale drug distributor, or a pharmacy located
235.28 in Minnesota; and

235.29 (6) the ~~prescription~~ drug is not a controlled substance.

235.30 (c) A medical supply is eligible for donation under the drug medication repository
235.31 program if the following requirements are met:

236.1 (1) the supply has no physical signs of tampering, misbranding, or alteration and there
236.2 is no reason to believe it has been adulterated, tampered with, or misbranded;

236.3 (2) the supply is in its original, unopened, sealed packaging;

236.4 (3) the donation is accompanied by a ~~drug~~ medication repository donor form described
236.5 under paragraph (d) that is signed by an individual who is authorized by the donor to attest
236.6 to the donor's knowledge in accordance with paragraph (d); and

236.7 (4) if the supply bears an expiration date, the date is at least six months later than the
236.8 date the supply was donated. If the donated supply bears an expiration date that is less than
236.9 six months from the date the supply was donated, the supply may be accepted and distributed
236.10 if the supply is in high demand and can be dispensed for use by a patient before the supply's
236.11 expiration date.

236.12 (d) The board shall develop the ~~drug~~ medication repository donor form and make it
236.13 available on the board's website. The form must state that to the best of the donor's knowledge
236.14 the donated drug or supply has been properly stored under appropriate temperature and
236.15 humidity conditions and that the drug or supply has never been opened, used, tampered
236.16 with, adulterated, or misbranded.

236.17 (e) Donated drugs and supplies may be shipped or delivered to the premises of the central
236.18 repository or a local repository, and shall be inspected by a pharmacist or an authorized
236.19 practitioner who is employed by or under contract with the repository and who has been
236.20 designated by the repository to accept donations. A drop box must not be used to deliver
236.21 or accept donations.

236.22 (f) The central repository and local repository shall inventory all drugs and supplies
236.23 donated to the repository. For each drug, the inventory must include the drug's name, strength,
236.24 quantity, manufacturer, expiration date, and the date the drug was donated. For each medical
236.25 supply, the inventory must include a description of the supply, its manufacturer, the date
236.26 the supply was donated, and, if applicable, the supply's brand name and expiration date.

236.27 **Subd. 7. Standards and procedures for inspecting and storing donated ~~prescription~~**
236.28 **drugs and supplies.** (a) A pharmacist or authorized practitioner who is employed by or
236.29 under contract with the central repository or a local repository shall inspect all donated
236.30 ~~prescription~~ drugs and supplies before the drug or supply is dispensed to determine, to the
236.31 extent reasonably possible in the professional judgment of the pharmacist or practitioner,
236.32 that the drug or supply is not adulterated or misbranded, has not been tampered with, is safe
236.33 and suitable for dispensing, has not been subject to a recall, and meets the requirements for
236.34 donation. The pharmacist or practitioner who inspects the drugs or supplies shall sign an

237.1 inspection record stating that the requirements for donation have been met. If a local
237.2 repository receives drugs and supplies from the central repository, the local repository does
237.3 not need to reinspect the drugs and supplies.

237.4 (b) The central repository and local repositories shall store donated drugs and supplies
237.5 in a secure storage area under environmental conditions appropriate for the drug or supply
237.6 being stored. Donated drugs and supplies may not be stored with nondonated inventory.

237.7 (c) The central repository and local repositories shall dispose of all ~~prescription~~ drugs
237.8 and medical supplies that are not suitable for donation in compliance with applicable federal
237.9 and state statutes, regulations, and rules concerning hazardous waste.

237.10 (d) In the event that controlled substances or ~~prescription~~ drugs that can only be dispensed
237.11 to a patient registered with the drug's manufacturer are shipped or delivered to a central or
237.12 local repository for donation, the shipment delivery must be documented by the repository
237.13 and returned immediately to the donor or the donor's representative that provided the drugs.

237.14 (e) Each repository must develop drug and medical supply recall policies and procedures.
237.15 If a repository receives a recall notification, the repository shall destroy all of the drug or
237.16 medical supply in its inventory that is the subject of the recall and complete a record of
237.17 destruction form in accordance with paragraph (f). If a drug or medical supply that is the
237.18 subject of a Class I or Class II recall has been dispensed, the repository shall immediately
237.19 notify the recipient of the recalled drug or medical supply. A drug that potentially is subject
237.20 to a recall need not be destroyed if its packaging bears a lot number and that lot of the drug
237.21 is not subject to the recall. If no lot number is on the drug's packaging, it must be destroyed.

237.22 (f) A record of destruction of donated drugs and supplies that are not dispensed under
237.23 subdivision 8, are subject to a recall under paragraph (e), or are not suitable for donation
237.24 shall be maintained by the repository for at least two years. For each drug or supply destroyed,
237.25 the record shall include the following information:

237.26 (1) the date of destruction;

237.27 (2) the name, strength, and quantity of the drug destroyed; and

237.28 (3) the name of the person or firm that destroyed the drug.

237.29 Subd. 8. **Dispensing requirements.** (a) Donated drugs and supplies may be dispensed
237.30 if the drugs or supplies are prescribed by a practitioner for use by an eligible individual and
237.31 are dispensed by a pharmacist or practitioner. A repository shall dispense drugs and supplies
237.32 to eligible individuals in the following priority order: (1) individuals who are uninsured;
237.33 (2) individuals with no prescription drug coverage; and (3) individuals who are underinsured.

238.1 A repository shall dispense donated ~~prescription~~ drugs in compliance with applicable federal
238.2 and state laws and regulations for dispensing ~~prescription~~ drugs, including all requirements
238.3 relating to packaging, labeling, record keeping, drug utilization review, and patient
238.4 counseling.

238.5 (b) Before dispensing or administering a drug or supply, the pharmacist or practitioner
238.6 shall visually inspect the drug or supply for adulteration, misbranding, tampering, and date
238.7 of expiration. Drugs or supplies that have expired or appear upon visual inspection to be
238.8 adulterated, misbranded, or tampered with in any way must not be dispensed or administered.

238.9 (c) Before a drug or supply is dispensed or administered to an individual, the individual
238.10 must sign a drug repository recipient form acknowledging that the individual understands
238.11 the information stated on the form. The board shall develop the form and make it available
238.12 on the board's website. The form must include the following information:

238.13 (1) that the drug or supply being dispensed or administered has been donated and may
238.14 have been previously dispensed;

238.15 (2) that a visual inspection has been conducted by the pharmacist or practitioner to ensure
238.16 that the drug or supply has not expired, has not been adulterated or misbranded, and is in
238.17 its original, unopened packaging; and

238.18 (3) that the dispensing pharmacist, the dispensing or administering practitioner, the
238.19 central repository or local repository, the Board of Pharmacy, and any other participant of
238.20 the ~~drug~~ medication repository program cannot guarantee the safety of the drug or medical
238.21 supply being dispensed or administered and that the pharmacist or practitioner has determined
238.22 that the drug or supply is safe to dispense or administer based on the accuracy of the donor's
238.23 form submitted with the donated drug or medical supply and the visual inspection required
238.24 to be performed by the pharmacist or practitioner before dispensing or administering.

238.25 Subd. 9. **Handling fees.** (a) The central or local repository may charge the individual
238.26 receiving a drug or supply a handling fee of no more than 250 percent of the medical
238.27 assistance program dispensing fee for each drug or medical supply dispensed or administered
238.28 by that repository.

238.29 (b) A repository that dispenses or administers a drug or medical supply through the ~~drug~~
238.30 medication repository program shall not receive reimbursement under the medical assistance
238.31 program or the MinnesotaCare program for that dispensed or administered drug or supply.

239.1 Subd. 10. **Distribution of donated drugs and supplies.** (a) The central repository and
239.2 local repositories may distribute drugs and supplies donated under the ~~drug~~ medication
239.3 repository program to other participating repositories for use pursuant to this program.

239.4 (b) A local repository that elects not to dispense donated drugs or supplies must transfer
239.5 all donated drugs and supplies to the central repository. A copy of the donor form that was
239.6 completed by the original donor under subdivision 6 must be provided to the central
239.7 repository at the time of transfer.

239.8 Subd. 11. **Forms and record-keeping requirements.** (a) The following forms developed
239.9 for the administration of this program shall be utilized by the participants of the program
239.10 and shall be available on the board's website:

239.11 (1) intake application form described under subdivision 5;

239.12 (2) local repository participation form described under subdivision 4;

239.13 (3) local repository withdrawal form described under subdivision 4;

239.14 (4) ~~drug~~ medication repository donor form described under subdivision 6;

239.15 (5) record of destruction form described under subdivision 7; and

239.16 (6) ~~drug~~ medication repository recipient form described under subdivision 8.

239.17 (b) All records, including drug inventory, inspection, and disposal of donated ~~prescription~~
239.18 drugs and medical supplies, must be maintained by a repository for a minimum of two years.
239.19 Records required as part of this program must be maintained pursuant to all applicable
239.20 practice acts.

239.21 (c) Data collected by the ~~drug~~ medication repository program from all local repositories
239.22 shall be submitted quarterly or upon request to the central repository. Data collected may
239.23 consist of the information, records, and forms required to be collected under this section.

239.24 (d) The central repository shall submit reports to the board as required by the contract
239.25 or upon request of the board.

239.26 Subd. 12. **Liability.** (a) The manufacturer of a drug or supply is not subject to criminal
239.27 or civil liability for injury, death, or loss to a person or to property for causes of action
239.28 described in clauses (1) and (2). A manufacturer is not liable for:

239.29 (1) the intentional or unintentional alteration of the drug or supply by a party not under
239.30 the control of the manufacturer; or

240.1 (2) the failure of a party not under the control of the manufacturer to transfer or
240.2 communicate product or consumer information or the expiration date of the donated drug
240.3 or supply.

240.4 (b) A health care facility participating in the program, a pharmacist dispensing a drug
240.5 or supply pursuant to the program, a practitioner dispensing or administering a drug or
240.6 supply pursuant to the program, or a donor of a drug or medical supply is immune from
240.7 civil liability for an act or omission that causes injury to or the death of an individual to
240.8 whom the drug or supply is dispensed and no disciplinary action by a health-related licensing
240.9 board shall be taken against a pharmacist or practitioner so long as the drug or supply is
240.10 donated, accepted, distributed, and dispensed according to the requirements of this section.
240.11 This immunity does not apply if the act or omission involves reckless, wanton, or intentional
240.12 misconduct, or malpractice unrelated to the quality of the drug or medical supply.

240.13 Subd. 13. **Drug returned for credit.** Nothing in this section allows a long-term care
240.14 facility to donate a drug to a central or local repository when federal or state law requires
240.15 the drug to be returned to the pharmacy that initially dispensed it, so that the pharmacy can
240.16 credit the payer for the amount of the drug returned.

240.17 Subd. 14. **Cooperation.** The central repository, as approved by the Board of Pharmacy,
240.18 may enter into an agreement with another state that has an established drug repository or
240.19 drug donation program if the other state's program includes regulations to ensure the purity,
240.20 integrity, and safety of the drugs and supplies donated, to permit the central repository to
240.21 offer to another state program inventory that is not needed by a Minnesota resident and to
240.22 accept inventory from another state program to be distributed to local repositories and
240.23 dispensed to Minnesota residents in accordance with this program.

240.24 Subd. 15. **Funding.** The central repository may seek grants and other funds from nonprofit
240.25 charitable organizations, the federal government, and other sources to fund the ongoing
240.26 operations of the medication repository program.

240.27 Sec. 14. Minnesota Statutes 2022, section 151.74, subdivision 4, is amended to read:

240.28 Subd. 4. **Continuing safety net program; general.** (a) Each manufacturer shall make
240.29 a patient assistance program available to any individual who meets the requirements of this
240.30 subdivision. Each manufacturer's patient assistance programs must meet the requirements
240.31 of this section. Each manufacturer shall provide the Board of Pharmacy with information
240.32 regarding the manufacturer's patient assistance program, including contact information for
240.33 individuals to call for assistance in accessing their patient assistance program.

241.1 (b) To be eligible to participate in a manufacturer's patient assistance program, the
241.2 individual must:

241.3 (1) be a Minnesota resident with a valid Minnesota identification card that indicates
241.4 Minnesota residency in the form of a Minnesota identification card, driver's license or
241.5 permit, individual taxpayer identification number, or Tribal identification card as defined
241.6 in section 171.072, paragraph (b). If the individual is under the age of 18, the individual's
241.7 parent or legal guardian must provide proof of residency;

241.8 (2) have a family income that is equal to or less than 400 percent of the federal poverty
241.9 guidelines;

241.10 (3) not be enrolled in medical assistance or MinnesotaCare;

241.11 (4) not be eligible to receive health care through a federally funded program or receive
241.12 prescription drug benefits through the Department of Veterans Affairs; and

241.13 (5) not be enrolled in prescription drug coverage through an individual or group health
241.14 plan that limits the total amount of cost-sharing that an enrollee is required to pay for a
241.15 30-day supply of insulin, including co-payments, deductibles, or coinsurance to \$75 or less,
241.16 regardless of the type or amount of insulin needed.

241.17 (c) Notwithstanding the requirement in paragraph (b), clause (4), an individual who is
241.18 enrolled in Medicare Part D is eligible for a manufacturer's patient assistance program if
241.19 the individual has spent \$1,000 on prescription drugs in the current calendar year and meets
241.20 the eligibility requirements in paragraph (b), clauses (1) to (3).

241.21 (d) An individual who is interested in participating in a manufacturer's patient assistance
241.22 program may apply directly to the manufacturer; apply through the individual's health care
241.23 practitioner, if the practitioner participates; or contact a trained navigator for assistance in
241.24 finding a long-term insulin supply solution, including assistance in applying to a
241.25 manufacturer's patient assistance program.

241.26 Sec. 15. Minnesota Statutes 2022, section 152.126, subdivision 4, is amended to read:

241.27 Subd. 4. **Reporting requirements; notice.** (a) Each dispenser must submit the following
241.28 data to the board or its designated vendor:

241.29 (1) name of the prescriber;

241.30 (2) national provider identifier of the prescriber;

241.31 (3) name of the dispenser;

- 242.1 (4) national provider identifier of the dispenser;
- 242.2 (5) prescription number;
- 242.3 (6) name of the patient for whom the prescription was written;
- 242.4 (7) address of the patient for whom the prescription was written;
- 242.5 (8) date of birth of the patient for whom the prescription was written;
- 242.6 (9) date the prescription was written;
- 242.7 (10) date the prescription was filled;
- 242.8 (11) name and strength of the controlled substance;
- 242.9 (12) quantity of controlled substance prescribed;
- 242.10 (13) quantity of controlled substance dispensed; and
- 242.11 (14) number of days supply.
- 242.12 (b) The dispenser must submit the required information by a procedure and in a format
- 242.13 established by the board. The board may allow dispensers to omit data listed in this
- 242.14 subdivision or may require the submission of data not listed in this subdivision provided
- 242.15 the omission or submission is necessary for the purpose of complying with the electronic
- 242.16 reporting or data transmission standards of the American Society for Automation in
- 242.17 Pharmacy, the National Council on Prescription Drug Programs, or other relevant national
- 242.18 standard-setting body.
- 242.19 (c) A dispenser is not required to submit this data for those controlled substance
- 242.20 prescriptions dispensed for:
- 242.21 (1) individuals residing in a health care facility as defined in section 151.58, subdivision
- 242.22 2, paragraph (b), when a drug is distributed through the use of an automated drug distribution
- 242.23 system according to section 151.58; ~~and~~
- 242.24 (2) individuals receiving a drug sample that was packaged by a manufacturer and provided
- 242.25 to the dispenser for dispensing as a professional sample pursuant to Code of Federal
- 242.26 Regulations, title 21, part 203, subpart D; and
- 242.27 (3) individuals whose prescriptions are being mailed, shipped, or delivered from
- 242.28 Minnesota to another state, so long as the data is reported to the prescription drug monitoring
- 242.29 program of that state.
- 242.30 (d) A dispenser must provide notice to the patient for whom the prescription was written
- 242.31 ~~a conspicuous notice~~, or to that patient's authorized representative, of the reporting

243.1 requirements of this section and notice that the information may be used for program
243.2 administration purposes.

243.3 (e) The dispenser must submit the required information within the timeframe specified
243.4 by the board; if no reportable prescriptions are dispensed or sold on any day, a report
243.5 indicating that fact must be filed with the board.

243.6 (f) The dispenser must submit accurate information to the database and must correct
243.7 errors identified during the submission process within seven calendar days.

243.8 (g) For the purposes of this paragraph, the term "subject of the data" means the individual
243.9 reported as being the patient, the practitioner reported as being the prescriber, the client
243.10 when an animal is reported as being the patient, or an authorized agent of these individuals.
243.11 The dispenser must correct errors brought to its attention by the subject of the data within
243.12 seven calendar days, unless the dispenser verifies that an error did not occur and the data
243.13 was correctly submitted. The dispenser must notify the subject of the data that either the
243.14 error was corrected or that no error occurred.

243.15 Sec. 16. Minnesota Statutes 2022, section 152.126, subdivision 5, is amended to read:

243.16 **Subd. 5. Use of data by board.** (a) The board shall develop and maintain a database of
243.17 the data reported under subdivision 4. The board shall maintain data that could identify an
243.18 individual prescriber or dispenser in encrypted form. Except as otherwise allowed under
243.19 subdivision 6, the database may be used by permissible users identified under subdivision
243.20 6 for the identification of:

243.21 (1) individuals receiving prescriptions for controlled substances from prescribers who
243.22 subsequently obtain controlled substances from dispensers in quantities or with a frequency
243.23 inconsistent with generally recognized standards of use for those controlled substances,
243.24 including standards accepted by national and international pain management associations;
243.25 and

243.26 (2) individuals presenting forged or otherwise false or altered prescriptions for controlled
243.27 substances to dispensers.

243.28 (b) No permissible user identified under subdivision 6 may access the database for the
243.29 sole purpose of identifying prescribers of controlled substances for unusual or excessive
243.30 prescribing patterns without a valid search warrant or court order.

243.31 (c) No personnel of a state or federal occupational licensing board or agency may access
243.32 the database for the purpose of obtaining information to be used to initiate a disciplinary
243.33 action against a prescriber.

244.1 (d) Data reported under subdivision 4 shall be made available to permissible users for
244.2 a 12-month period beginning the day the data was received and ending 12 months from the
244.3 last day of the month in which the data was received, except that permissible users defined
244.4 in subdivision 6, paragraph (b), clauses ~~(6)~~ (7) and ~~(7)~~ (8), may use all data collected under
244.5 this section for the purposes of administering, operating, and maintaining the prescription
244.6 monitoring program and conducting trend analyses and other studies necessary to evaluate
244.7 the effectiveness of the program.

244.8 (e) Data reported during the period January 1, 2015, through December 31, 2018, may
244.9 be retained through December 31, 2019, in an identifiable manner. Effective January 1,
244.10 2020, data older than 24 months must be destroyed. Data reported for prescriptions dispensed
244.11 on or after January 1, 2020, must be destroyed no later than 12 months from the date the
244.12 ~~data~~ prescription was ~~received~~ reported as dispensed.

244.13 Sec. 17. Minnesota Statutes 2022, section 152.126, subdivision 6, is amended to read:

244.14 **Subd. 6. Access to reporting system data.** (a) Except as indicated in this subdivision,
244.15 the data submitted to the board under subdivision 4 is private data on individuals as defined
244.16 in section 13.02, subdivision 12, and not subject to public disclosure.

244.17 (b) Except as specified in subdivision 5, the following persons shall be considered
244.18 permissible users and may access the data submitted under subdivision 4 in the same or
244.19 similar manner, and for the same or similar purposes, as those persons who are authorized
244.20 to access similar private data on individuals under federal and state law:

244.21 (1) a prescriber or an agent or employee of the prescriber to whom the prescriber has
244.22 delegated the task of accessing the data, to the extent the information relates specifically to
244.23 a current patient, to whom the prescriber is:

244.24 (i) prescribing or considering prescribing any controlled substance;

244.25 (ii) providing emergency medical treatment for which access to the data may be necessary;

244.26 (iii) providing care, and the prescriber has reason to believe, based on clinically valid
244.27 indications, that the patient is potentially abusing a controlled substance; or

244.28 (iv) providing other medical treatment for which access to the data may be necessary
244.29 for a clinically valid purpose and the patient has consented to access to the submitted data,
244.30 and with the provision that the prescriber remains responsible for the use or misuse of data
244.31 accessed by a delegated agent or employee;

245.1 (2) a dispenser or an agent or employee of the dispenser to whom the dispenser has
245.2 delegated the task of accessing the data, to the extent the information relates specifically to
245.3 a current patient to whom that dispenser is dispensing or considering dispensing any
245.4 controlled substance and with the provision that the dispenser remains responsible for the
245.5 use or misuse of data accessed by a delegated agent or employee;

245.6 (3) a licensed dispensing practitioner or licensed pharmacist to the extent necessary to
245.7 determine whether corrections made to the data reported under subdivision 4 are accurate;

245.8 (4) a licensed pharmacist who is providing pharmaceutical care for which access to the
245.9 data may be necessary to the extent that the information relates specifically to a current
245.10 patient for whom the pharmacist is providing pharmaceutical care: (i) if the patient has
245.11 consented to access to the submitted data; or (ii) if the pharmacist is consulted by a prescriber
245.12 who is requesting data in accordance with clause (1);

245.13 ~~(4)~~(5) an individual who is the recipient of a controlled substance prescription for which
245.14 data was submitted under subdivision 4, or a guardian of the individual, parent or guardian
245.15 of a minor, or health care agent of the individual acting under a health care directive under
245.16 chapter 145C. For purposes of this clause, access by individuals includes persons in the
245.17 definition of an individual under section 13.02;

245.18 ~~(5)~~(6) personnel or designees of a health-related licensing board listed in section 214.01,
245.19 subdivision 2, or of the Emergency Medical Services Regulatory Board, assigned to conduct
245.20 a bona fide investigation of a complaint received by that board that alleges that a specific
245.21 licensee is impaired by use of a drug for which data is collected under subdivision 4, has
245.22 engaged in activity that would constitute a crime as defined in section 152.025, or has
245.23 engaged in the behavior specified in subdivision 5, paragraph (a);

245.24 ~~(6)~~(7) personnel of the board engaged in the collection, review, and analysis of controlled
245.25 substance prescription information as part of the assigned duties and responsibilities under
245.26 this section;

245.27 ~~(7)~~(8) authorized personnel ~~of a vendor~~ under contract with the board, or under contract
245.28 with the state of Minnesota and approved by the board, who are engaged in the design,
245.29 evaluation, implementation, operation, and or maintenance of the prescription monitoring
245.30 program as part of the assigned duties and responsibilities of their employment, provided
245.31 that access to data is limited to the minimum amount necessary to carry out such duties and
245.32 responsibilities, and subject to the requirement of de-identification and time limit on retention
245.33 of data specified in subdivision 5, paragraphs (d) and (e);

246.1 ~~(8)~~ (9) federal, state, and local law enforcement authorities acting pursuant to a valid
246.2 search warrant;

246.3 ~~(9)~~ (10) personnel of the Minnesota health care programs assigned to use the data
246.4 collected under this section to identify and manage recipients whose usage of controlled
246.5 substances may warrant restriction to a single primary care provider, a single outpatient
246.6 pharmacy, and a single hospital;

246.7 ~~(10)~~ (11) personnel of the Department of Human Services assigned to access the data
246.8 pursuant to paragraph (k);

246.9 ~~(11)~~ (12) personnel of the health professionals services program established under section
246.10 214.31, to the extent that the information relates specifically to an individual who is currently
246.11 enrolled in and being monitored by the program, and the individual consents to access to
246.12 that information. The health professionals services program personnel shall not provide this
246.13 data to a health-related licensing board or the Emergency Medical Services Regulatory
246.14 Board, except as permitted under section 214.33, subdivision 3; ~~and~~

246.15 ~~(12)~~ (13) personnel or designees of a health-related licensing board other than the Board
246.16 of Pharmacy listed in section 214.01, subdivision 2, assigned to conduct a bona fide
246.17 investigation of a complaint received by that board that alleges that a specific licensee is
246.18 inappropriately prescribing controlled substances as defined in this section. For the purposes
246.19 of this clause, the health-related licensing board may also obtain utilization data; and

246.20 (14) personnel of the board specifically assigned to conduct a bona fide investigation
246.21 of a specific licensee or registrant. For the purposes of this clause, the board may also obtain
246.22 utilization data.

246.23 (c) By July 1, 2017, every prescriber licensed by a health-related licensing board listed
246.24 in section 214.01, subdivision 2, practicing within this state who is authorized to prescribe
246.25 controlled substances for humans and who holds a current registration issued by the federal
246.26 Drug Enforcement Administration, and every pharmacist licensed by the board and practicing
246.27 within the state, shall register and maintain a user account with the prescription monitoring
246.28 program. Data submitted by a prescriber, pharmacist, or their delegate during the registration
246.29 application process, other than their name, license number, and license type, is classified
246.30 as private pursuant to section 13.02, subdivision 12.

246.31 (d) Notwithstanding paragraph (b), beginning January 1, 2021, a prescriber or an agent
246.32 or employee of the prescriber to whom the prescriber has delegated the task of accessing
246.33 the data, must access the data submitted under subdivision 4 to the extent the information
246.34 relates specifically to the patient:

247.1 (1) before the prescriber issues an initial prescription order for a Schedules II through
247.2 IV opiate controlled substance to the patient; and

247.3 (2) at least once every three months for patients receiving an opiate for treatment of
247.4 chronic pain or participating in medically assisted treatment for an opioid addiction.

247.5 (e) Paragraph (d) does not apply if:

247.6 (1) the patient is receiving palliative care, or hospice or other end-of-life care;

247.7 (2) the patient is being treated for pain due to cancer or the treatment of cancer;

247.8 (3) the prescription order is for a number of doses that is intended to last the patient five
247.9 days or less and is not subject to a refill;

247.10 (4) the prescriber and patient have a current or ongoing provider/patient relationship of
247.11 a duration longer than one year;

247.12 (5) the prescription order is issued within 14 days following surgery or three days
247.13 following oral surgery or follows the prescribing protocols established under the opioid
247.14 prescribing improvement program under section 256B.0638;

247.15 (6) the controlled substance is prescribed or administered to a patient who is admitted
247.16 to an inpatient hospital;

247.17 (7) the controlled substance is lawfully administered by injection, ingestion, or any other
247.18 means to the patient by the prescriber, a pharmacist, or by the patient at the direction of a
247.19 prescriber and in the presence of the prescriber or pharmacist;

247.20 (8) due to a medical emergency, it is not possible for the prescriber to review the data
247.21 before the prescriber issues the prescription order for the patient; or

247.22 (9) the prescriber is unable to access the data due to operational or other technological
247.23 failure of the program so long as the prescriber reports the failure to the board.

247.24 (f) Only permissible users identified in paragraph (b), clauses (1), (2), (3), ~~(4)~~, (7),
247.25 ~~(9), and (8)~~, (10), and (11), may directly access the data electronically. No other permissible
247.26 users may directly access the data electronically. If the data is directly accessed electronically,
247.27 the permissible user shall implement and maintain a comprehensive information security
247.28 program that contains administrative, technical, and physical safeguards that are appropriate
247.29 to the user's size and complexity, and the sensitivity of the personal information obtained.
247.30 The permissible user shall identify reasonably foreseeable internal and external risks to the
247.31 security, confidentiality, and integrity of personal information that could result in the

248.1 unauthorized disclosure, misuse, or other compromise of the information and assess the
248.2 sufficiency of any safeguards in place to control the risks.

248.3 (g) The board shall not release data submitted under subdivision 4 unless it is provided
248.4 with evidence, satisfactory to the board, that the person requesting the information is entitled
248.5 to receive the data.

248.6 (h) The board shall maintain a log of all persons who access the data for a period of at
248.7 least three years and shall ensure that any permissible user complies with paragraph (c)
248.8 prior to attaining direct access to the data.

248.9 (i) Section 13.05, subdivision 6, shall apply to any contract the board enters into pursuant
248.10 to subdivision 2. A vendor shall not use data collected under this section for any purpose
248.11 not specified in this section.

248.12 (j) The board may participate in an interstate prescription monitoring program data
248.13 exchange system provided that permissible users in other states have access to the data only
248.14 as allowed under this section, and that section 13.05, subdivision 6, applies to any contract
248.15 or memorandum of understanding that the board enters into under this paragraph.

248.16 (k) With available appropriations, the commissioner of human services shall establish
248.17 and implement a system through which the Department of Human Services shall routinely
248.18 access the data for the purpose of determining whether any client enrolled in an opioid
248.19 treatment program licensed according to chapter 245A has been prescribed or dispensed a
248.20 controlled substance in addition to that administered or dispensed by the opioid treatment
248.21 program. When the commissioner determines there have been multiple prescribers or multiple
248.22 prescriptions of controlled substances, the commissioner shall:

248.23 (1) inform the medical director of the opioid treatment program only that the
248.24 commissioner determined the existence of multiple prescribers or multiple prescriptions of
248.25 controlled substances; and

248.26 (2) direct the medical director of the opioid treatment program to access the data directly,
248.27 review the effect of the multiple prescribers or multiple prescriptions, and document the
248.28 review.

248.29 If determined necessary, the commissioner of human services shall seek a federal waiver
248.30 of, or exception to, any applicable provision of Code of Federal Regulations, title 42, section
248.31 2.34, paragraph (c), prior to implementing this paragraph.

248.32 (l) The board shall review the data submitted under subdivision 4 on at least a quarterly
248.33 basis and shall establish criteria, in consultation with the advisory task force, for referring

249.1 information about a patient to prescribers and dispensers who prescribed or dispensed the
249.2 prescriptions in question if the criteria are met.

249.3 (m) The board shall conduct random audits, on at least a quarterly basis, of electronic
249.4 access by permissible users, as identified in paragraph (b), clauses (1), (2), (3), ~~(6)~~ (4), (7),
249.5 ~~(9), and (8)~~, (10), and (11), to the data in subdivision 4, to ensure compliance with permissible
249.6 use as defined in this section. A permissible user whose account has been selected for a
249.7 random audit shall respond to an inquiry by the board, no later than 30 days after receipt of
249.8 notice that an audit is being conducted. Failure to respond may result in deactivation of
249.9 access to the electronic system and referral to the appropriate health licensing board, or the
249.10 commissioner of human services, for further action. The board shall report the results of
249.11 random audits to the chairs and ranking minority members of the legislative committees
249.12 with jurisdiction over health and human services policy and finance and government data
249.13 practices.

249.14 (n) A permissible user who has delegated the task of accessing the data in subdivision
249.15 4 to an agent or employee shall audit the use of the electronic system by delegated agents
249.16 or employees on at least a quarterly basis to ensure compliance with permissible use as
249.17 defined in this section. When a delegated agent or employee has been identified as
249.18 inappropriately accessing data, the permissible user must immediately remove access for
249.19 that individual and notify the board within seven days. The board shall notify all permissible
249.20 users associated with the delegated agent or employee of the alleged violation.

249.21 (o) A permissible user who delegates access to the data submitted under subdivision 4
249.22 to an agent or employee shall terminate that individual's access to the data within three
249.23 business days of the agent or employee leaving employment with the permissible user. The
249.24 board may conduct random audits to determine compliance with this requirement.

249.25 Sec. 18. Minnesota Statutes 2022, section 152.126, subdivision 9, is amended to read:

249.26 Subd. 9. **Immunity from liability; ~~no requirement to obtain information.~~** (a) A
249.27 pharmacist, prescriber, or other dispenser making a report to the program in good faith under
249.28 this section is immune from any civil, criminal, or administrative liability, which might
249.29 otherwise be incurred or imposed as a result of the report, ~~or on the basis that the pharmacist~~
249.30 ~~or prescriber did or did not seek or obtain or use information from the program.~~

249.31 (b) Except as required by subdivision 6, paragraph (d), nothing in this section shall
249.32 require a pharmacist, prescriber, or other dispenser to obtain information about a patient
249.33 from the program, and the pharmacist, prescriber, or other dispenser, if acting in good faith,

250.1 is immune from any civil, criminal, or administrative liability that might otherwise be
250.2 incurred or imposed for requesting, receiving, or using information from the program.

250.3 **ARTICLE 7**

250.4 **BACKGROUND STUDIES**

250.5 Section 1. Minnesota Statutes 2022, section 13.46, subdivision 4, is amended to read:

250.6 Subd. 4. **Licensing data.** (a) As used in this subdivision:

250.7 (1) "licensing data" are all data collected, maintained, used, or disseminated by the
250.8 welfare system pertaining to persons licensed or registered or who apply for licensure or
250.9 registration or who formerly were licensed or registered under the authority of the
250.10 commissioner of human services;

250.11 (2) "client" means a person who is receiving services from a licensee or from an applicant
250.12 for licensure; and

250.13 (3) "personal and personal financial data" are Social Security numbers, identity of and
250.14 letters of reference, insurance information, reports from the Bureau of Criminal
250.15 Apprehension, health examination reports, and social/home studies.

250.16 (b)(1)(i) Except as provided in paragraph (c), the following data on applicants, license
250.17 holders, and former licensees are public: name, address, telephone number of licensees,
250.18 date of receipt of a completed application, dates of licensure, licensed capacity, type of
250.19 client preferred, variances granted, record of training and education in child care and child
250.20 development, type of dwelling, name and relationship of other family members, previous
250.21 license history, class of license, the existence and status of complaints, and the number of
250.22 serious injuries to or deaths of individuals in the licensed program as reported to the
250.23 commissioner of human services, the local social services agency, or any other county
250.24 welfare agency. For purposes of this clause, a serious injury is one that is treated by a
250.25 physician.

250.26 (ii) Except as provided in item (v), when a correction order, an order to forfeit a fine,
250.27 an order of license suspension, an order of temporary immediate suspension, an order of
250.28 license revocation, an order of license denial, or an order of conditional license has been
250.29 issued, or a complaint is resolved, the following data on current and former licensees and
250.30 applicants are public: the general nature of the complaint or allegations leading to the
250.31 temporary immediate suspension; the substance and investigative findings of the licensing
250.32 or maltreatment complaint, licensing violation, or substantiated maltreatment; the existence
250.33 of settlement negotiations; the record of informal resolution of a licensing violation; orders

251.1 of hearing; findings of fact; conclusions of law; specifications of the final correction order,
 251.2 fine, suspension, temporary immediate suspension, revocation, denial, or conditional license
 251.3 contained in the record of licensing action; whether a fine has been paid; and the status of
 251.4 any appeal of these actions.

251.5 (iii) When a license denial under section 245A.05 or a sanction under section 245A.07
 251.6 is based on a determination that a license holder, applicant, or controlling individual is
 251.7 responsible for maltreatment under section 626.557 or chapter 260E, the identity of the
 251.8 applicant, license holder, or controlling individual as the individual responsible for
 251.9 maltreatment is public data at the time of the issuance of the license denial or sanction.

251.10 (iv) When a license denial under section 245A.05 or a sanction under section 245A.07
 251.11 is based on a determination that a license holder, applicant, or controlling individual is
 251.12 disqualified under chapter 245C, the identity of the license holder, applicant, or controlling
 251.13 individual as the disqualified individual ~~and the reason for the disqualification are~~ is public
 251.14 data at the time of the issuance of the licensing sanction or denial. If the applicant, license
 251.15 holder, or controlling individual requests reconsideration of the disqualification and the
 251.16 disqualification is affirmed, the reason for the disqualification and the reason to not set aside
 251.17 the disqualification are ~~public~~ private data.

251.18 (v) A correction order or fine issued to a child care provider for a licensing violation is
 251.19 private data on individuals under section 13.02, subdivision 12, or nonpublic data under
 251.20 section 13.02, subdivision 9, if the correction order or fine is seven years old or older.

251.21 (2) For applicants who withdraw their application prior to licensure or denial of a license,
 251.22 the following data are public: the name of the applicant, the city and county in which the
 251.23 applicant was seeking licensure, the dates of the commissioner's receipt of the initial
 251.24 application and completed application, the type of license sought, and the date of withdrawal
 251.25 of the application.

251.26 (3) For applicants who are denied a license, the following data are public: the name and
 251.27 address of the applicant, the city and county in which the applicant was seeking licensure,
 251.28 the dates of the commissioner's receipt of the initial application and completed application,
 251.29 the type of license sought, the date of denial of the application, the nature of the basis for
 251.30 the denial, the existence of settlement negotiations, the record of informal resolution of a
 251.31 denial, orders of hearings, findings of fact, conclusions of law, specifications of the final
 251.32 order of denial, and the status of any appeal of the denial.

251.33 (4) When maltreatment is substantiated under section 626.557 or chapter 260E and the
 251.34 victim and the substantiated perpetrator are affiliated with a program licensed under chapter

252.1 245A, the commissioner of human services, local social services agency, or county welfare
252.2 agency may inform the license holder where the maltreatment occurred of the identity of
252.3 the substantiated perpetrator and the victim.

252.4 (5) Notwithstanding clause (1), for child foster care, only the name of the license holder
252.5 and the status of the license are public if the county attorney has requested that data otherwise
252.6 classified as public data under clause (1) be considered private data based on the best interests
252.7 of a child in placement in a licensed program.

252.8 (c) The following are private data on individuals under section 13.02, subdivision 12,
252.9 or nonpublic data under section 13.02, subdivision 9: personal and personal financial data
252.10 on family day care program and family foster care program applicants and licensees and
252.11 their family members who provide services under the license.

252.12 (d) The following are private data on individuals: the identity of persons who have made
252.13 reports concerning licensees or applicants that appear in inactive investigative data, and the
252.14 records of clients or employees of the licensee or applicant for licensure whose records are
252.15 received by the licensing agency for purposes of review or in anticipation of a contested
252.16 matter. The names of reporters of complaints or alleged violations of licensing standards
252.17 under chapters 245A, 245B, 245C, and 245D, and applicable rules and alleged maltreatment
252.18 under section 626.557 and chapter 260E, are confidential data and may be disclosed only
252.19 as provided in section 260E.21, subdivision 4; 260E.35; or 626.557, subdivision 12b.

252.20 (e) Data classified as private, confidential, nonpublic, or protected nonpublic under this
252.21 subdivision become public data if submitted to a court or administrative law judge as part
252.22 of a disciplinary proceeding in which there is a public hearing concerning a license which
252.23 has been suspended, immediately suspended, revoked, or denied.

252.24 (f) Data generated in the course of licensing investigations that relate to an alleged
252.25 violation of law are investigative data under subdivision 3.

252.26 (g) Data that are not public data collected, maintained, used, or disseminated under this
252.27 subdivision that relate to or are derived from a report as defined in section 260E.03, or
252.28 626.5572, subdivision 18, are subject to the destruction provisions of sections 260E.35,
252.29 subdivision 6, and 626.557, subdivision 12b.

252.30 (h) Upon request, not public data collected, maintained, used, or disseminated under
252.31 this subdivision that relate to or are derived from a report of substantiated maltreatment as
252.32 defined in section 626.557 or chapter 260E may be exchanged with the Department of
252.33 Health for purposes of completing background studies pursuant to section 144.057 and with

253.1 the Department of Corrections for purposes of completing background studies pursuant to
253.2 section 241.021.

253.3 (i) Data on individuals collected according to licensing activities under chapters 245A
253.4 and 245C, data on individuals collected by the commissioner of human services according
253.5 to investigations under section 626.557 and chapters 245A, 245B, 245C, 245D, and 260E
253.6 may be shared with the Department of Human Rights, the Department of Health, the
253.7 Department of Corrections, the ombudsman for mental health and developmental disabilities,
253.8 and the individual's professional regulatory board when there is reason to believe that laws
253.9 or standards under the jurisdiction of those agencies may have been violated or the
253.10 information may otherwise be relevant to the board's regulatory jurisdiction. Background
253.11 study data on an individual who is the subject of a background study under chapter 245C
253.12 for a licensed service for which the commissioner of human services is the license holder
253.13 may be shared with the commissioner and the commissioner's delegate by the licensing
253.14 division. Unless otherwise specified in this chapter, the identity of a reporter of alleged
253.15 maltreatment or licensing violations may not be disclosed.

253.16 (j) In addition to the notice of determinations required under sections 260E.24,
253.17 subdivisions 5 and 7, and 260E.30, subdivision 6, paragraphs (b), (c), (d), (e), and (f), if the
253.18 commissioner or the local social services agency has determined that an individual is a
253.19 substantiated perpetrator of maltreatment of a child based on sexual abuse, as defined in
253.20 section 260E.03, and the commissioner or local social services agency knows that the
253.21 individual is a person responsible for a child's care in another facility, the commissioner or
253.22 local social services agency shall notify the head of that facility of this determination. The
253.23 notification must include an explanation of the individual's available appeal rights and the
253.24 status of any appeal. If a notice is given under this paragraph, the government entity making
253.25 the notification shall provide a copy of the notice to the individual who is the subject of the
253.26 notice.

253.27 (k) All not public data collected, maintained, used, or disseminated under this subdivision
253.28 and subdivision 3 may be exchanged between the Department of Human Services, Licensing
253.29 Division, and the Department of Corrections for purposes of regulating services for which
253.30 the Department of Human Services and the Department of Corrections have regulatory
253.31 authority.

253.32 Sec. 2. Minnesota Statutes 2022, section 245C.02, subdivision 13e, is amended to read:

253.33 Subd. 13e. **NETStudy 2.0.** "NETStudy 2.0" means the commissioner's system that
253.34 replaces both NETStudy and the department's internal background study processing system.

254.1 NETStudy 2.0 is designed to enhance protection of children and vulnerable adults by
254.2 improving the accuracy of background studies through fingerprint-based criminal record
254.3 checks and expanding the background studies to include a review of information from the
254.4 Minnesota Court Information System and the national crime information database. NETStudy
254.5 2.0 is also designed to increase efficiencies in and the speed of the hiring process by:

254.6 (1) providing access to and updates from public web-based data related to employment
254.7 eligibility;

254.8 (2) decreasing the need for repeat studies through electronic updates of background
254.9 study subjects' criminal records;

254.10 (3) supporting identity verification using subjects' Social Security numbers and
254.11 photographs;

254.12 (4) using electronic employer notifications; ~~and~~

254.13 (5) issuing immediate verification of subjects' eligibility to provide services as more
254.14 studies are completed under the NETStudy 2.0 system; and

254.15 (6) providing electronic access to certain notices for entities and background study
254.16 subjects.

254.17 Sec. 3. Minnesota Statutes 2022, section 245C.04, subdivision 1, is amended to read:

254.18 Subdivision 1. **Licensed programs; other child care programs.** (a) The commissioner
254.19 shall conduct a background study of an individual required to be studied under section
254.20 245C.03, subdivision 1, at least upon application for initial license for all license types.

254.21 (b) The commissioner shall conduct a background study of an individual required to be
254.22 studied under section 245C.03, subdivision 1, including a child care background study
254.23 subject as defined in section 245C.02, subdivision 6a, in a family child care program, licensed
254.24 child care center, certified license-exempt child care center, or legal nonlicensed child care
254.25 provider, on a schedule determined by the commissioner. Except as provided in section
254.26 245C.05, subdivision 5a, a child care background study must include submission of
254.27 fingerprints for a national criminal history record check and a review of the information
254.28 under section 245C.08. A background study for a child care program must be repeated
254.29 within five years from the most recent study conducted under this paragraph.

254.30 (c) At reauthorization or when a new background study is needed under section 119B.125,
254.31 subdivision 1a, for a legal nonlicensed child care provider authorized under chapter 119B:

255.1 (1) for a background study affiliated with a legal nonlicensed child care provider, the
 255.2 individual shall provide information required under section 245C.05, subdivision 1,
 255.3 paragraphs (a), (b), and (d), to the commissioner and be fingerprinted and photographed
 255.4 under section 245C.05, subdivision 5; and

255.5 (2) the commissioner shall verify the information received under clause (1) and submit
 255.6 the request in NETStudy 2.0 to complete the background study.

255.7 ~~(e)~~ (d) At reapplication for a family child care license:

255.8 (1) for a background study affiliated with a licensed family child care center ~~or legal~~
 255.9 ~~nonlicensed child care provider~~, the individual shall provide information required under
 255.10 section 245C.05, subdivision 1, paragraphs (a), (b), and (d), to the county agency, and be
 255.11 fingerprinted and photographed under section 245C.05, subdivision 5;

255.12 (2) the county agency shall verify the information received under clause (1) and forward
 255.13 the information to the commissioner and submit the request in NETStudy 2.0 to complete
 255.14 the background study; and

255.15 (3) the background study conducted by the commissioner under this paragraph must
 255.16 include a review of the information required under section 245C.08.

255.17 ~~(d)~~ (e) The commissioner is not required to conduct a study of an individual at the time
 255.18 of reapplication for a license if the individual's background study was completed by the
 255.19 commissioner of human services and the following conditions are met:

255.20 (1) a study of the individual was conducted either at the time of initial licensure or when
 255.21 the individual became affiliated with the license holder;

255.22 (2) the individual has been continuously affiliated with the license holder since the last
 255.23 study was conducted; and

255.24 (3) the last study of the individual was conducted on or after October 1, 1995.

255.25 ~~(e)~~ (f) The commissioner of human services shall conduct a background study of an
 255.26 individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6),
 255.27 who is newly affiliated with a child foster family setting license holder:

255.28 (1) the county or private agency shall collect and forward to the commissioner the
 255.29 information required under section 245C.05, subdivisions 1 and 5, when the child foster
 255.30 family setting applicant or license holder resides in the home where child foster care services
 255.31 are provided; and

256.1 (2) the background study conducted by the commissioner of human services under this
256.2 paragraph must include a review of the information required under section 245C.08,
256.3 subdivisions 1, 3, and 4.

256.4 ~~(f)~~ (g) The commissioner shall conduct a background study of an individual specified
256.5 under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly affiliated
256.6 with an adult foster care or family adult day services and with a family child care license
256.7 holder or a legal nonlicensed child care provider authorized under chapter 119B and:

256.8 (1) except as provided in section 245C.05, subdivision 5a, the county shall collect and
256.9 forward to the commissioner the information required under section 245C.05, subdivision
256.10 1, paragraphs (a) and (b), and subdivision 5, paragraph (b), for background studies conducted
256.11 by the commissioner for all family adult day services, for adult foster care when the adult
256.12 foster care license holder resides in the adult foster care residence, and for family child care
256.13 and legal nonlicensed child care authorized under chapter 119B;

256.14 (2) the license holder shall collect and forward to the commissioner the information
256.15 required under section 245C.05, subdivisions 1, paragraphs (a) and (b); and 5, paragraphs
256.16 (a) and (b), for background studies conducted by the commissioner for adult foster care
256.17 when the license holder does not reside in the adult foster care residence; and

256.18 (3) the background study conducted by the commissioner under this paragraph must
256.19 include a review of the information required under section 245C.08, subdivision 1, paragraph
256.20 (a), and subdivisions 3 and 4.

256.21 ~~(g)~~ (h) Applicants for licensure, license holders, and other entities as provided in this
256.22 chapter must submit completed background study requests to the commissioner using the
256.23 electronic system known as NETStudy before individuals specified in section 245C.03,
256.24 subdivision 1, begin positions allowing direct contact in any licensed program.

256.25 ~~(h)~~ (i) For an individual who is not on the entity's active roster, the entity must initiate
256.26 a new background study through NETStudy when:

256.27 (1) an individual returns to a position requiring a background study following an absence
256.28 of 120 or more consecutive days; or

256.29 (2) a program that discontinued providing licensed direct contact services for 120 or
256.30 more consecutive days begins to provide direct contact licensed services again.

256.31 The license holder shall maintain a copy of the notification provided to the commissioner
256.32 under this paragraph in the program's files. If the individual's disqualification was previously
256.33 set aside for the license holder's program and the new background study results in no new

257.1 information that indicates the individual may pose a risk of harm to persons receiving
257.2 services from the license holder, the previous set-aside shall remain in effect.

257.3 ~~(j)~~ (j) For purposes of this section, a physician licensed under chapter 147, advanced
257.4 practice registered nurse licensed under chapter 148, or physician assistant licensed under
257.5 chapter 147A is considered to be continuously affiliated upon the license holder's receipt
257.6 from the commissioner of health or human services of the physician's, advanced practice
257.7 registered nurse's, or physician assistant's background study results.

257.8 ~~(k)~~ (k) For purposes of family child care, a substitute caregiver must receive repeat
257.9 background studies at the time of each license renewal.

257.10 ~~(l)~~ (l) A repeat background study at the time of license renewal is not required if the
257.11 family child care substitute caregiver's background study was completed by the commissioner
257.12 on or after October 1, 2017, and the substitute caregiver is on the license holder's active
257.13 roster in NETStudy 2.0.

257.14 ~~(m)~~ (m) Before and after school programs authorized under chapter 119B, are exempt
257.15 from the background study requirements under section 123B.03, for an employee for whom
257.16 a background study under this chapter has been completed.

257.17 **EFFECTIVE DATE.** This section is effective April 28, 2025.

257.18 Sec. 4. Minnesota Statutes 2022, section 245C.05, subdivision 1, is amended to read:

257.19 Subdivision 1. **Individual studied.** (a) The individual who is the subject of the
257.20 background study must provide the applicant, license holder, or other entity under section
257.21 245C.04 with sufficient information to ensure an accurate study, including:

257.22 (1) the individual's first, middle, and last name and all other names by which the
257.23 individual has been known;

257.24 (2) current home address, city, and state of residence;

257.25 (3) current zip code;

257.26 (4) sex;

257.27 (5) date of birth;

257.28 (6) driver's license number or state identification number; and

257.29 (7) upon implementation of NETStudy 2.0, the home address, city, county, and state of
257.30 residence for the past five years.

258.1 (b) Every subject of a background study conducted or initiated by counties or private
258.2 agencies under this chapter must also provide the home address, city, county, and state of
258.3 residence for the past five years.

258.4 (c) Every subject of a background study related to private agency adoptions or related
258.5 to child foster care licensed through a private agency, who is 18 years of age or older, shall
258.6 also provide the commissioner a signed consent for the release of any information received
258.7 from national crime information databases to the private agency that initiated the background
258.8 study.

258.9 (d) The subject of a background study shall provide fingerprints and a photograph as
258.10 required in subdivision 5.

258.11 (e) The subject of a background study shall submit a completed criminal and maltreatment
258.12 history records check consent form for applicable national and state level record checks.

258.13 (f) A background study subject who has access to the NETStudy 2.0 applicant portal
258.14 must provide updated contact information to the commissioner via NETStudy 2.0 any time
258.15 their personal information changes for as long as they remain affiliated on any roster.

258.16 (g) An entity must update contact information in NETStudy 2.0 for a background study
258.17 subject on the entity's roster any time the entity receives new contact information from the
258.18 study subject.

258.19 Sec. 5. Minnesota Statutes 2022, section 245C.05, subdivision 2c, is amended to read:

258.20 Subd. 2c. **Privacy notice to background study subject.** (a) Prior to initiating each
258.21 background study, the entity initiating the study must provide the commissioner's privacy
258.22 notice to the background study subject required under section 13.04, subdivision 2. The
258.23 notice must be available through the commissioner's electronic NETStudy and NETStudy
258.24 2.0 systems and shall include the information in paragraphs (b) and (c).

258.25 (b) The background study subject shall be informed that any previous background studies
258.26 that received a set-aside will be reviewed, and without further contact with the background
258.27 study subject, the commissioner may notify the agency that initiated the subsequent
258.28 background study;

258.29 ~~(1) that the individual has a disqualification that has been set aside for the program or~~
258.30 ~~agency that initiated the study;~~

258.31 ~~(2) the reason for the disqualification; and~~

259.1 ~~(3) that information about the decision to set aside the disqualification will be available~~
259.2 ~~to the license holder upon request without the consent of the background study subject.~~

259.3 (c) The background study subject must also be informed that:

259.4 (1) the subject's fingerprints collected for purposes of completing the background study
259.5 under this chapter must not be retained by the Department of Public Safety, Bureau of
259.6 Criminal Apprehension, or by the commissioner. The Federal Bureau of Investigation will
259.7 not retain background study subjects' fingerprints;

259.8 (2) effective upon implementation of NETStudy 2.0, the subject's photographic image
259.9 will be retained by the commissioner, and if the subject has provided the subject's Social
259.10 Security number for purposes of the background study, the photographic image will be
259.11 available to prospective employers and agencies initiating background studies under this
259.12 chapter to verify the identity of the subject of the background study;

259.13 (3) the authorized fingerprint collection vendor or vendors shall, for purposes of verifying
259.14 the identity of the background study subject, be able to view the identifying information
259.15 entered into NETStudy 2.0 by the entity that initiated the background study, but shall not
259.16 retain the subject's fingerprints, photograph, or information from NETStudy 2.0. The
259.17 authorized fingerprint collection vendor or vendors shall retain no more than the subject's
259.18 name and the date and time the subject's fingerprints were recorded and sent, only as
259.19 necessary for auditing and billing activities;

259.20 (4) the commissioner shall provide the subject notice, as required in section 245C.17,
259.21 subdivision 1, paragraph (a), when an entity initiates a background study on the individual;

259.22 (5) the subject may request in writing a report listing the entities that initiated a
259.23 background study on the individual as provided in section 245C.17, subdivision 1, paragraph
259.24 (b);

259.25 (6) the subject may request in writing that information used to complete the individual's
259.26 background study in NETStudy 2.0 be destroyed if the requirements of section 245C.051,
259.27 paragraph (a), are met; and

259.28 (7) notwithstanding clause (6), the commissioner shall destroy:

259.29 (i) the subject's photograph after a period of two years when the requirements of section
259.30 245C.051, paragraph (c), are met; and

259.31 (ii) any data collected on a subject under this chapter after a period of two years following
259.32 the individual's death as provided in section 245C.051, paragraph (d).

260.1 Sec. 6. Minnesota Statutes 2022, section 245C.05, subdivision 4, is amended to read:

260.2 Subd. 4. **Electronic transmission.** (a) For background studies conducted by the
260.3 Department of Human Services, the commissioner shall implement a secure system for the
260.4 electronic transmission of:

260.5 (1) background study information to the commissioner;

260.6 (2) background study results to the license holder;

260.7 (3) background study information obtained under this section and section 245C.08 to
260.8 counties and private agencies for background studies conducted by the commissioner for
260.9 child foster care, including a summary of nondisqualifying results, except as prohibited by
260.10 law; and

260.11 (4) background study results to county agencies for background studies conducted by
260.12 the commissioner for adult foster care and family adult day services and, upon
260.13 implementation of NETStudy 2.0, family child care ~~and legal nonlicensed child care~~
260.14 ~~authorized under chapter 119B.~~

260.15 (b) Unless the commissioner has granted a hardship variance under paragraph (c), a
260.16 license holder or an applicant must use the electronic transmission system known as
260.17 NETStudy or NETStudy 2.0 to submit all requests for background studies to the
260.18 commissioner as required by this chapter.

260.19 (c) A license holder or applicant whose program is located in an area in which high-speed
260.20 Internet is inaccessible may request the commissioner to grant a variance to the electronic
260.21 transmission requirement.

260.22 (d) Section 245C.08, subdivision 3, paragraph (c), applies to results transmitted under
260.23 this subdivision.

260.24 (e) The background study subject shall access background study-related documents
260.25 electronically in the applicant portal. A background study subject may request the
260.26 commissioner to grant a variance to the requirement to access documents electronically in
260.27 the NETStudy 2.0 applicant portal, and maintains the ability to request paper documentation
260.28 of their background studies.

260.29 **EFFECTIVE DATE.** The changes to paragraph (a), clause (4), are effective April 28,
260.30 2025.

261.1 Sec. 7. Minnesota Statutes 2022, section 245C.10, subdivision 2, is amended to read:

261.2 Subd. 2. **Supplemental nursing services agencies.** The commissioner shall recover the
261.3 cost of the background studies initiated by supplemental nursing services agencies registered
261.4 under section 144A.71, subdivision 1, through a fee of no more than ~~\$42~~ \$44 per study
261.5 charged to the agency. The fees collected under this subdivision are appropriated to the
261.6 commissioner for the purpose of conducting background studies.

261.7 Sec. 8. Minnesota Statutes 2022, section 245C.10, subdivision 3, is amended to read:

261.8 Subd. 3. **Personal care provider organizations.** The commissioner shall recover the
261.9 cost of background studies initiated by a personal care provider organization under sections
261.10 256B.0651 to 256B.0654 and 256B.0659 through a fee of no more than ~~\$42~~ \$44 per study
261.11 charged to the organization responsible for submitting the background study form. The fees
261.12 collected under this subdivision are appropriated to the commissioner for the purpose of
261.13 conducting background studies.

261.14 Sec. 9. Minnesota Statutes 2022, section 245C.10, subdivision 4, is amended to read:

261.15 Subd. 4. **Temporary personnel agencies, educational programs, and professional**
261.16 **services agencies.** The commissioner shall recover the cost of the background studies
261.17 initiated by temporary personnel agencies, educational programs, and professional services
261.18 agencies that initiate background studies under section 245C.03, subdivision 4, through a
261.19 fee of no more than ~~\$42~~ \$44 per study charged to the agency. The fees collected under this
261.20 subdivision are appropriated to the commissioner for the purpose of conducting background
261.21 studies.

261.22 Sec. 10. Minnesota Statutes 2022, section 245C.10, subdivision 5, is amended to read:

261.23 Subd. 5. **Adult foster care and family adult day services.** The commissioner shall
261.24 recover the cost of background studies required under section 245C.03, subdivision 1, for
261.25 the purposes of adult foster care and family adult day services licensing, through a fee of
261.26 no more than ~~\$42~~ \$44 per study charged to the license holder. The fees collected under this
261.27 subdivision are appropriated to the commissioner for the purpose of conducting background
261.28 studies.

261.29 Sec. 11. Minnesota Statutes 2022, section 245C.10, subdivision 6, is amended to read:

261.30 Subd. 6. **Unlicensed home and community-based waiver providers of service to**
261.31 **seniors and individuals with disabilities.** The commissioner shall recover the cost of

262.1 background studies initiated by unlicensed home and community-based waiver providers
262.2 of service to seniors and individuals with disabilities under section 256B.4912 through a
262.3 fee of no more than ~~\$42~~ \$44 per study.

262.4 Sec. 12. Minnesota Statutes 2022, section 245C.10, subdivision 8, is amended to read:

262.5 Subd. 8. **Children's therapeutic services and supports providers.** The commissioner
262.6 shall recover the cost of background studies required under section 245C.03, subdivision
262.7 7, for the purposes of children's therapeutic services and supports under section 256B.0943,
262.8 through a fee of no more than ~~\$42~~ \$44 per study charged to the license holder. The fees
262.9 collected under this subdivision are appropriated to the commissioner for the purpose of
262.10 conducting background studies.

262.11 Sec. 13. Minnesota Statutes 2022, section 245C.10, subdivision 9, is amended to read:

262.12 Subd. 9. **Human services licensed programs.** The commissioner shall recover the cost
262.13 of background studies required under section 245C.03, subdivision 1, for all programs that
262.14 are licensed by the commissioner, except child foster care when the applicant or license
262.15 holder resides in the home where child foster care services are provided, family child care,
262.16 child care centers, certified license-exempt child care centers, and legal nonlicensed child
262.17 care authorized under chapter 119B, through a fee of no more than ~~\$42~~ \$44 per study charged
262.18 to the license holder. The fees collected under this subdivision are appropriated to the
262.19 commissioner for the purpose of conducting background studies.

262.20 Sec. 14. Minnesota Statutes 2022, section 245C.10, subdivision 9a, is amended to read:

262.21 Subd. 9a. **Child care programs.** The commissioner shall recover the cost of a background
262.22 study required for family child care, certified license-exempt child care centers, licensed
262.23 child care centers, and legal nonlicensed child care providers authorized under chapter 119B
262.24 through a fee of no more than ~~\$40~~ \$44 per study charged to the license holder. A fee of no
262.25 more than ~~\$42~~ \$44 per study shall be charged for studies conducted under section 245C.05,
262.26 subdivision 5a, paragraph (a). The fees collected under this subdivision are appropriated to
262.27 the commissioner to conduct background studies.

262.28 Sec. 15. Minnesota Statutes 2022, section 245C.10, subdivision 10, is amended to read:

262.29 Subd. 10. **Community first services and supports organizations.** The commissioner
262.30 shall recover the cost of background studies initiated by an agency-provider delivering
262.31 services under section 256B.85, subdivision 11, or a financial management services provider

263.1 providing service functions under section 256B.85, subdivision 13, through a fee of no more
263.2 than ~~\$42~~ \$44 per study, charged to the organization responsible for submitting the background
263.3 study form. The fees collected under this subdivision are appropriated to the commissioner
263.4 for the purpose of conducting background studies.

263.5 Sec. 16. Minnesota Statutes 2022, section 245C.10, subdivision 11, is amended to read:

263.6 Subd. 11. **Providers of housing support.** The commissioner shall recover the cost of
263.7 background studies initiated by providers of housing support under section 256I.04 through
263.8 a fee of no more than ~~\$42~~ \$44 per study. The fees collected under this subdivision are
263.9 appropriated to the commissioner for the purpose of conducting background studies.

263.10 Sec. 17. Minnesota Statutes 2022, section 245C.10, subdivision 12, is amended to read:

263.11 Subd. 12. **Child protection workers or social services staff having responsibility for**
263.12 **child protective duties.** The commissioner shall recover the cost of background studies
263.13 initiated by county social services agencies and local welfare agencies for individuals who
263.14 are required to have a background study under section 260E.36, subdivision 3, through a
263.15 fee of no more than ~~\$42~~ \$44 per study. The fees collected under this subdivision are
263.16 appropriated to the commissioner for the purpose of conducting background studies.

263.17 Sec. 18. Minnesota Statutes 2022, section 245C.10, subdivision 13, is amended to read:

263.18 Subd. 13. **Providers of special transportation service.** The commissioner shall recover
263.19 the cost of background studies initiated by providers of special transportation service under
263.20 section 174.30 through a fee of no more than ~~\$42~~ \$44 per study. The fees collected under
263.21 this subdivision are appropriated to the commissioner for the purpose of conducting
263.22 background studies.

263.23 Sec. 19. Minnesota Statutes 2022, section 245C.10, subdivision 14, is amended to read:

263.24 Subd. 14. **Children's residential facilities.** The commissioner shall recover the cost of
263.25 background studies initiated by a licensed children's residential facility through a fee of no
263.26 more than ~~\$51~~ \$53 per study. Fees collected under this subdivision are appropriated to the
263.27 commissioner for purposes of conducting background studies.

263.28 Sec. 20. Minnesota Statutes 2022, section 245C.10, subdivision 16, is amended to read:

263.29 Subd. 16. **Providers of housing support services.** The commissioner shall recover the
263.30 cost of background studies initiated by providers of housing support services under section

264.1 256B.051 through a fee of no more than ~~\$42~~ \$44 per study. The fees collected under this
264.2 subdivision are appropriated to the commissioner for the purpose of conducting background
264.3 studies.

264.4 Sec. 21. Minnesota Statutes 2022, section 245C.10, subdivision 17, is amended to read:

264.5 Subd. 17. **Early intensive developmental and behavioral intervention providers.** The
264.6 commissioner shall recover the cost of background studies required under section 245C.03,
264.7 subdivision 15, for the purposes of early intensive developmental and behavioral intervention
264.8 under section 256B.0949, through a fee of no more than ~~\$42~~ \$44 per study charged to the
264.9 enrolled agency. The fees collected under this subdivision are appropriated to the
264.10 commissioner for the purpose of conducting background studies.

264.11 Sec. 22. Minnesota Statutes 2022, section 245C.10, subdivision 20, is amended to read:

264.12 Subd. 20. **Professional Educators Licensing Standards Board.** The commissioner
264.13 shall recover the cost of background studies initiated by the Professional Educators Licensing
264.14 Standards Board through a fee of no more than ~~\$51~~ \$53 per study. Fees collected under this
264.15 subdivision are appropriated to the commissioner for purposes of conducting background
264.16 studies.

264.17 Sec. 23. Minnesota Statutes 2022, section 245C.10, subdivision 21, is amended to read:

264.18 Subd. 21. **Board of School Administrators.** The commissioner shall recover the cost
264.19 of background studies initiated by the Board of School Administrators through a fee of no
264.20 more than ~~\$51~~ \$53 per study. Fees collected under this subdivision are appropriated to the
264.21 commissioner for purposes of conducting background studies.

264.22 Sec. 24. Minnesota Statutes 2022, section 245C.10, is amended by adding a subdivision
264.23 to read:

264.24 Subd. 22. **Tribal organizations.** The commissioner shall recover the cost of background
264.25 studies initiated by Tribal organizations under section 245C.34 for adoption and child foster
264.26 care. The fee amount shall be established through interagency agreements between the
264.27 commissioner and Tribal organizations or their designees. The fees collected under this
264.28 subdivision shall be deposited in the special revenue fund and are appropriated to the
264.29 commissioner for the purpose of conducting background studies and criminal background
264.30 checks. This change shall go into effect July 1, 2024.

265.1 Sec. 25. Minnesota Statutes 2022, section 245C.17, subdivision 2, is amended to read:

265.2 Subd. 2. **Disqualification notice sent to subject.** (a) If the information in the study
265.3 indicates the individual is disqualified from direct contact with, or from access to, persons
265.4 served by the program, the commissioner shall disclose to the individual studied:

265.5 (1) the information causing disqualification;

265.6 (2) instructions on how to request a reconsideration of the disqualification;

265.7 (3) an explanation of any restrictions on the commissioner's discretion to set aside the
265.8 disqualification under section 245C.24, when applicable to the individual;

265.9 ~~(4) a statement that, if the individual's disqualification is set aside under section 245C.22,~~
265.10 ~~the applicant, license holder, or other entity that initiated the background study will be~~
265.11 ~~provided with the reason for the individual's disqualification and an explanation that the~~
265.12 ~~factors under section 245C.22, subdivision 4, which were the basis of the decision to set~~
265.13 ~~aside the disqualification shall be made available to the license holder upon request without~~
265.14 ~~the consent of the subject of the background study;~~

265.15 ~~(5) a statement indicating that if the individual's disqualification is set aside or the facility~~
265.16 ~~is granted a variance under section 245C.30, the individual's identity and the reason for the~~
265.17 ~~individual's disqualification will become public data under section 245C.22, subdivision 7,~~
265.18 ~~when applicable to the individual;~~

265.19 ~~(6)~~ (4) a statement that when a subsequent background study is initiated on the individual
265.20 following a set-aside of the individual's disqualification, and the commissioner makes a
265.21 determination under section 245C.22, subdivision 5, paragraph (b), that the previous set-aside
265.22 applies to the subsequent background study, the applicant, license holder, or other entity
265.23 that initiated the background study will be informed in the notice under section 245C.22,
265.24 subdivision 5, paragraph (c):

265.25 (i) of the reason for the individual's disqualification; and

265.26 ~~(ii) that the individual's disqualification is set aside for that program or agency; and~~

265.27 ~~(iii) that information about the factors under section 245C.22, subdivision 4, that were~~
265.28 ~~the basis of the decision to set aside the disqualification are available to the license holder~~
265.29 ~~upon request without the consent of the background study subject; and~~

265.30 ~~(7)~~ (5) the commissioner's determination of the individual's immediate risk of harm
265.31 under section 245C.16.

266.1 (b) If the commissioner determines under section 245C.16 that an individual poses an
266.2 imminent risk of harm to persons served by the program where the individual will have
266.3 direct contact with, or access to, people receiving services, the commissioner's notice must
266.4 include an explanation of the basis of this determination.

266.5 (c) If the commissioner determines under section 245C.16 that an individual studied
266.6 does not pose a risk of harm that requires immediate removal, the individual shall be informed
266.7 of the conditions under which the agency that initiated the background study may allow the
266.8 individual to have direct contact with, or access to, people receiving services, as provided
266.9 under subdivision 3.

266.10 Sec. 26. Minnesota Statutes 2022, section 245C.17, subdivision 3, is amended to read:

266.11 Subd. 3. **Disqualification notification.** (a) The commissioner shall notify an applicant,
266.12 license holder, or other entity as provided in this chapter who is not the subject of the study:

266.13 (1) that the commissioner has found information that disqualifies the individual studied
266.14 from being in a position allowing direct contact with, or access to, people served by the
266.15 program; and

266.16 (2) the commissioner's determination of the individual's risk of harm under section
266.17 245C.16.

266.18 (b) If the commissioner determines under section 245C.16 that an individual studied
266.19 poses an imminent risk of harm to persons served by the program where the individual
266.20 studied will have direct contact with, or access to, people served by the program, the
266.21 commissioner shall order the license holder to immediately remove the individual studied
266.22 from any position allowing direct contact with, or access to, people served by the program.

266.23 (c) If the commissioner determines under section 245C.16 that an individual studied
266.24 poses a risk of harm that requires continuous, direct supervision, the commissioner shall
266.25 order the applicant, license holder, or other entities as provided in this chapter to:

266.26 (1) immediately remove the individual studied from any position allowing direct contact
266.27 with, or access to, people receiving services; or

266.28 (2) before allowing the disqualified individual to be in a position allowing direct contact
266.29 with, or access to, people receiving services, the applicant, license holder, or other entity,
266.30 as provided in this chapter, must:

266.31 ~~(i) obtain from the disqualified individual a copy of the individual's notice of~~
266.32 ~~disqualification from the commissioner that explains the reason for disqualification;~~

267.1 ~~(ii)~~ (i) ensure that the individual studied is under continuous, direct supervision when
 267.2 in a position allowing direct contact with, or access to, people receiving services during the
 267.3 period in which the individual may request a reconsideration of the disqualification under
 267.4 section 245C.21; and

267.5 ~~(iii)~~ (ii) ensure that the disqualified individual requests reconsideration within 30 days
 267.6 of receipt of the notice of disqualification.

267.7 (d) If the commissioner determines under section 245C.16 that an individual studied
 267.8 does not pose a risk of harm that requires continuous, direct supervision, the commissioner
 267.9 shall order the applicant, license holder, or other entities as provided in this chapter to:

267.10 (1) immediately remove the individual studied from any position allowing direct contact
 267.11 with, or access to, people receiving services; or

267.12 (2) before allowing the disqualified individual to be in any position allowing direct
 267.13 contact with, or access to, people receiving services, the applicant, license holder, or other
 267.14 entity as provided in this chapter must:

267.15 ~~(i) obtain from the disqualified individual a copy of the individual's notice of~~
 267.16 ~~disqualification from the commissioner that explains the reason for disqualification; and~~

267.17 ~~(ii)~~ ensure that the disqualified individual requests reconsideration within 15 days of
 267.18 receipt of the notice of disqualification.

267.19 (e) The commissioner shall not notify the applicant, license holder, or other entity as
 267.20 provided in this chapter of the information contained in the subject's background study
 267.21 unless:

267.22 (1) the basis for the disqualification is failure to cooperate with the background study
 267.23 ~~or substantiated maltreatment under section 626.557 or chapter 260E;~~

267.24 (2) the Data Practices Act under chapter 13 provides for release of the information; or

267.25 (3) the individual studied authorizes the release of the information.

267.26 Sec. 27. Minnesota Statutes 2022, section 245C.17, subdivision 6, is amended to read:

267.27 Subd. 6. **Notice to county agency.** For studies on individuals related to a license to
 267.28 provide adult foster care when the applicant or license holder resides in the adult foster care
 267.29 residence and family adult day services and, effective upon implementation of NETStudy
 267.30 2.0, family child care ~~and legal nonlicensed child care authorized under chapter 119B,~~ the
 267.31 commissioner shall also provide a notice of the background study results to the county
 267.32 agency that initiated the background study.

268.1 **EFFECTIVE DATE.** This section is effective April 28, 2025.

268.2 Sec. 28. Minnesota Statutes 2022, section 245C.22, subdivision 7, is amended to read:

268.3 Subd. 7. **Classification of certain data.** (a) Notwithstanding section 13.46, except as
 268.4 provided in paragraph ~~(f)~~ (e), upon setting aside a disqualification under this section, the
 268.5 identity of the disqualified individual who received the set-aside and the individual's
 268.6 disqualifying characteristics are ~~public~~ private data ~~if the set-aside was:~~

268.7 ~~(1) for any disqualifying characteristic under section 245C.15, except a felony-level~~
 268.8 ~~conviction for a drug-related offense within the past five years, when the set-aside relates~~
 268.9 ~~to a child care center or a family child care provider licensed under chapter 245A, certified~~
 268.10 ~~license-exempt child care center, or legal nonlicensed family child care; or~~

268.11 ~~(2) for a disqualifying characteristic under section 245C.15, subdivision 2.~~

268.12 (b) Notwithstanding section 13.46, upon granting a variance to a license holder under
 268.13 section 245C.30, the identity of the disqualified individual who is the subject of the variance,
 268.14 the individual's disqualifying characteristics under section 245C.15, and the terms of the
 268.15 variance are ~~public data, except as provided in paragraph (e), clause (6), when the variance:~~
 268.16 private.

268.17 ~~(1) is issued to a child care center or a family child care provider licensed under chapter~~
 268.18 ~~245A; or~~

268.19 ~~(2) relates to an individual with a disqualifying characteristic under section 245C.15,~~
 268.20 ~~subdivision 2.~~

268.21 (c) The identity of a disqualified individual and the reason for disqualification remain
 268.22 private data when:

268.23 (1) a disqualification is not set aside and no variance is granted, except as provided under
 268.24 section 13.46, subdivision 4;

268.25 (2) the data are not public under paragraph (a) or (b);

268.26 (3) the disqualification is rescinded because the information relied upon to disqualify
 268.27 the individual is incorrect;

268.28 (4) the disqualification relates to a license to provide relative child foster care. As used
 268.29 in this clause, "relative" has the meaning given it under section 260C.007, subdivision 26b
 268.30 or 27;

269.1 (5) the disqualified individual is a household member of a licensed foster care provider
269.2 and:

269.3 (i) the disqualified individual previously received foster care services from this licensed
269.4 foster care provider;

269.5 (ii) the disqualified individual was subsequently adopted by this licensed foster care
269.6 provider; and

269.7 (iii) the disqualifying act occurred before the adoption; or

269.8 (6) a variance is granted to a child care center or family child care license holder for an
269.9 individual's disqualification that is based on a felony-level conviction for a drug-related
269.10 offense that occurred within the past five years.

269.11 ~~(d) Licensed family child care providers and child care centers must provide notices as~~
269.12 ~~required under section 245C.301.~~

269.13 ~~(e)~~ (d) Notwithstanding paragraphs (a) and (b), the identity of household members who
269.14 are the subject of a disqualification related set-aside or variance is not public data if:

269.15 (1) the household member resides in the residence where the family child care is provided;

269.16 (2) the subject of the set-aside or variance is under the age of 18 years; and

269.17 (3) the set-aside or variance only relates to a disqualification under section 245C.15,
269.18 subdivision 4, for a misdemeanor-level theft crime as defined in section 609.52.

269.19 ~~(f)~~ (e) When the commissioner has reason to know that a disqualified individual has
269.20 received an order for expungement for the disqualifying record that does not limit the
269.21 commissioner's access to the record, and the record was opened or exchanged with the
269.22 commissioner for purposes of a background study under this chapter, the data that would
269.23 otherwise become public under paragraph (a) or (b) remain private data.

269.24 Sec. 29. Minnesota Statutes 2022, section 245C.23, subdivision 1, is amended to read:

269.25 Subdivision 1. **Disqualification that is rescinded or set aside.** (a) If the commissioner
269.26 rescinds or sets aside a disqualification, the commissioner shall notify the applicant, license
269.27 holder, or other entity in writing or by electronic transmission of the decision.

269.28 (b) In the notice from the commissioner that a disqualification has been rescinded, the
269.29 commissioner must inform the applicant, license holder, or other entity that the information
269.30 relied upon to disqualify the individual was incorrect.

270.1 ~~(e) Except as provided in paragraphs (d) and (e), in the notice from the commissioner~~
 270.2 ~~that a disqualification has been set aside, the commissioner must inform the applicant,~~
 270.3 ~~license holder, or other entity of the reason for the individual's disqualification and that~~
 270.4 ~~information about which factors under section 245C.22, subdivision 4, were the basis of~~
 270.5 ~~the decision to set aside the disqualification are available to the license holder upon request~~
 270.6 ~~without the consent of the background study subject.~~

270.7 ~~(d) When the commissioner has reason to know that a disqualified individual has received~~
 270.8 ~~an order for expungement for the disqualifying record that does not limit the commissioner's~~
 270.9 ~~access to the record, and the record was opened or exchanged with the commissioner for~~
 270.10 ~~purposes of a background study under this chapter, the information provided under paragraph~~
 270.11 ~~(e) must only inform the applicant, license holder, or other entity that the disqualifying~~
 270.12 ~~criminal record is sealed under a court order.~~

270.13 ~~(e) The notification requirements in paragraph (e) do not apply when the set aside is~~
 270.14 ~~granted to an individual related to a background study for a licensed child care center,~~
 270.15 ~~certified license exempt child care center, or family child care license holder, or for a legal~~
 270.16 ~~nonlicensed child care provider authorized under chapter 119B, and the individual is~~
 270.17 ~~disqualified for a felony-level conviction for a drug-related offense that occurred within the~~
 270.18 ~~past five years. The notice that the individual's disqualification is set aside must inform the~~
 270.19 ~~applicant, license holder, or legal nonlicensed child care provider that the disqualifying~~
 270.20 ~~criminal record is not public.~~

270.21 Sec. 30. Minnesota Statutes 2022, section 245C.23, subdivision 2, is amended to read:

270.22 **Subd. 2. Commissioner's notice of disqualification that is not set aside.** (a) The
 270.23 commissioner shall notify the license holder of the disqualification and order the license
 270.24 holder to immediately remove the individual from any position allowing direct contact with
 270.25 persons receiving services from the license holder if:

270.26 (1) the individual studied does not submit a timely request for reconsideration under
 270.27 section 245C.21;

270.28 (2) the individual submits a timely request for reconsideration, but the commissioner
 270.29 does not set aside the disqualification for that license holder under section 245C.22, unless
 270.30 the individual has a right to request a hearing under section 245C.27, 245C.28, or 256.045;

270.31 (3) an individual who has a right to request a hearing under sections 245C.27 and 256.045,
 270.32 or 245C.28 and chapter 14 for a disqualification that has not been set aside, does not request
 270.33 a hearing within the specified time; or

271.1 (4) an individual submitted a timely request for a hearing under sections 245C.27 and
271.2 256.045, or 245C.28 and chapter 14, but the commissioner does not set aside the
271.3 disqualification under section 245A.08, subdivision 5, or 256.045.

271.4 (b) If the commissioner does not set aside the disqualification under section 245C.22,
271.5 and the license holder was previously ordered under section 245C.17 to immediately remove
271.6 the disqualified individual from direct contact with persons receiving services or to ensure
271.7 that the individual is under continuous, direct supervision when providing direct contact
271.8 services, the order remains in effect pending the outcome of a hearing under sections 245C.27
271.9 and 256.045, or 245C.28 and chapter 14.

271.10 (c) If the commissioner does not set aside the disqualification under section 245C.22,
271.11 and the license holder was not previously ordered under section 245C.17 to immediately
271.12 remove the disqualified individual from direct contact with persons receiving services or
271.13 to ensure that the individual is under continuous direct supervision when providing direct
271.14 contact services, the commissioner shall order the individual to remain under continuous
271.15 direct supervision pending the outcome of a hearing under sections 245C.27 and 256.045,
271.16 or 245C.28 and chapter 14.

271.17 (d) For background studies related to child foster care when the applicant or license
271.18 holder resides in the home where services are provided, the commissioner shall also notify
271.19 the county or private agency that initiated the study of the results of the reconsideration.

271.20 (e) For background studies related to family child care, ~~legal nonlicensed child care,~~
271.21 adult foster care programs when the applicant or license holder resides in the home where
271.22 services are provided, and family adult day services, the commissioner shall also notify the
271.23 county that initiated the study of the results of the reconsideration.

271.24 **EFFECTIVE DATE.** This section is effective April 28, 2025.

271.25 Sec. 31. Minnesota Statutes 2022, section 245C.32, subdivision 2, is amended to read:

271.26 Subd. 2. **Use.** (a) The commissioner may also use these systems and records to obtain
271.27 and provide criminal history data from the Bureau of Criminal Apprehension, criminal
271.28 history data held by the commissioner, and data about substantiated maltreatment under
271.29 section 626.557 or chapter 260E, for other purposes, provided that:

271.30 (1) the background study is specifically authorized in statute; or

271.31 (2) the request is made with the informed consent of the subject of the study as provided
271.32 in section 13.05, subdivision 4.

272.1 (b) An individual making a request under paragraph (a), clause (2), must agree in writing
272.2 not to disclose the data to any other individual without the consent of the subject of the data.

272.3 (c) The commissioner may use these systems to share background study documentation
272.4 electronically with entities and individuals who are the subject of a background study.

272.5 (d) The commissioner may recover the cost of obtaining and providing background study
272.6 data by charging the individual or entity requesting the study a fee ~~of no more than \$42 per~~
272.7 study as described in section 245C.10. The fees collected under this paragraph are
272.8 appropriated to the commissioner for the purpose of conducting background studies.

272.9 Sec. 32. **[245J.01] TITLE.**

272.10 This chapter may be cited as the "Department of Human Services Public Law Background
272.11 Studies Act."

272.12 Sec. 33. **[245J.02] DEFINITIONS.**

272.13 Subdivision 1. **Scope.** The definitions in this section apply to this chapter.

272.14 Subd. 2. **Access to persons served by a program.** "Access to persons served by a
272.15 program" means physical access to persons receiving services, access to the persons' personal
272.16 property, or access to the persons' personal, financial, or health information, without
272.17 continuous, direct supervision, as defined in subdivision 8.

272.18 Subd. 3. **Applicant.** "Applicant" has the meaning given in section 245A.02, subdivision
272.19 3, and applies to entities listed in section 245J.03.

272.20 Subd. 4. **Authorized fingerprint collection vendor.** "Authorized fingerprint collection
272.21 vendor" means a qualified organization under a written contract with the commissioner to
272.22 provide services in accordance with section 245J.05, subdivision 6, paragraph (a).

272.23 Subd. 5. **Commissioner.** "Commissioner" means the commissioner of human services.

272.24 Subd. 6. **Continuous, direct supervision.** "Continuous, direct supervision" means an
272.25 individual is within sight or hearing of the entity's supervising individual to the extent that
272.26 the program's supervising individual is capable at all times of intervening to protect the
272.27 health and safety of the persons served by the program.

272.28 Subd. 7. **Conviction.** "Conviction" has the meaning given in section 609.02, subdivision
272.29 5.

273.1 Subd. 8. **Direct contact.** "Direct contact" means providing face-to-face care, training,
273.2 supervision, counseling, consultation, or medication assistance to persons served by the
273.3 program.

273.4 Subd. 9. **Employee.** "Employee" means an individual who provides or seeks to provide
273.5 services for an entity with which the employee is affiliated in NETStudy 2.0 and who is
273.6 subject to oversight by the entity, including but not limited to continuous, direct supervision
273.7 and immediate removal from providing direct care services.

273.8 Subd. 10. **Entity.** "Entity" means a program, organization, or agency listed in section
273.9 245J.03.

273.10 Subd. 11. **License.** "License" has the meaning given in section 245A.02, subdivision 8.

273.11 Subd. 12. **License holder.** "License holder" has the meaning given in section 245A.02,
273.12 subdivision 9, and applies to entities listed in section 245J.03.

273.13 Subd. 13. **National criminal history record check.** (a) "National criminal history record
273.14 check" means a check of records maintained by the Federal Bureau of Investigation through
273.15 submission of fingerprints through the Bureau of Criminal Apprehension to the Federal
273.16 Bureau of Investigation, when specifically required by law.

273.17 (b) For the purposes of this chapter, "national crime information database," "national
273.18 criminal records repository," "criminal history with the Federal Bureau of Investigation,"
273.19 and "national criminal record check" refer to a national criminal history record check as
273.20 defined in this subdivision.

273.21 Subd. 14. **NETStudy 2.0.** "NETStudy 2.0" means the commissioner's system that replaces
273.22 both NETStudy and the department's internal background study processing system. NETStudy
273.23 2.0 is designed to enhance protection of children and vulnerable adults by improving the
273.24 accuracy of background studies through fingerprint-based criminal record checks and
273.25 expanding the background studies to include a review of information from the Minnesota
273.26 Court Information System and the national crime information database. NETStudy 2.0 is
273.27 also designed to increase efficiencies in and the speed of the hiring process by:

273.28 (1) providing access to and updates from public web-based data related to employment
273.29 eligibility;

273.30 (2) decreasing the need for repeat studies through electronic updates of background
273.31 study subjects' criminal records;

273.32 (3) supporting identity verification using subjects' Social Security numbers and
273.33 photographs;

274.1 (4) using electronic employer notifications; and

274.2 (5) issuing immediate verification of subjects' eligibility to provide services as more
274.3 studies are completed under the NETStudy 2.0 system.

274.4 Subd. 15. **Person.** "Person" means a child as defined in subdivision 6 or an adult as
274.5 defined in section 245A.02, subdivision 2.

274.6 Subd. 16. **Public law background study.** "Public law background study" means a
274.7 background study conducted by the Department of Human Services under this chapter. All
274.8 data obtained by the commissioner for a background study completed under this chapter
274.9 shall be classified as private data.

274.10 Subd. 17. **Reasonable cause.** "Reasonable cause" means information or circumstances
274.11 exist that provide the commissioner with articulable suspicion that further pertinent
274.12 information may exist concerning a subject. The commissioner has reasonable cause to
274.13 require a background study when the commissioner has received a report from the subject,
274.14 the entity, or a third party indicating that the subject has a history that would disqualify the
274.15 individual or that may pose a risk to the health or safety of persons receiving services.

274.16 Subd. 18. **Reasonable cause to require a national criminal history record check.** (a)
274.17 "Reasonable cause to require a national criminal history record check" means information
274.18 or circumstances exist that provide the commissioner with articulable suspicion that further
274.19 pertinent information may exist concerning a background study subject that merits conducting
274.20 a national criminal history record check on that subject. The commissioner has reasonable
274.21 cause to require a national criminal history record check when:

274.22 (1) information from the Bureau of Criminal Apprehension indicates that the subject is
274.23 a multistate offender;

274.24 (2) information from the Bureau of Criminal Apprehension indicates that multistate
274.25 offender status is undetermined;

274.26 (3) the commissioner has received a report from the subject or a third party indicating
274.27 that the subject has a criminal history in a jurisdiction other than Minnesota; or

274.28 (4) information from the Bureau of Criminal Apprehension for a state-based name and
274.29 date of birth background study in which the subject is a minor that indicates that the subject
274.30 has a criminal history.

274.31 (b) In addition to the circumstances described in paragraph (a), the commissioner has
274.32 reasonable cause to require a national criminal history record check if the subject is not

275.1 currently residing in Minnesota or resided in a jurisdiction other than Minnesota during the
275.2 previous five years.

275.3 Subd. 19. **Recurring maltreatment.** "Recurring maltreatment" means more than one
275.4 incident of maltreatment for which there is a preponderance of evidence that the maltreatment
275.5 occurred and that the subject was responsible for the maltreatment.

275.6 Subd. 20. **Results.** "Results" means a determination that a study subject is eligible,
275.7 disqualified, set aside, granted a variance, or that more time is needed to complete the
275.8 background study.

275.9 Subd. 21. **Roster.** (a) "Roster" means the electronic method used to identify the entity
275.10 or entities required to conduct background studies under this chapter with which a background
275.11 subject is affiliated. There are three types of rosters: active roster, inactive roster, and master
275.12 roster.

275.13 (b) "Active roster" means the list of individuals specific to an entity who have been
275.14 determined eligible under this chapter to provide services for the entity and who the entity
275.15 has identified as affiliated. An individual shall remain on the entity's active roster and is
275.16 considered affiliated until the commissioner determines the individual is ineligible or the
275.17 entity removes the individual from the entity's active roster.

275.18 (c) "Inactive roster" means the list maintained by the commissioner of individuals who
275.19 are eligible under this chapter to provide services and are not on an active roster. Individuals
275.20 shall remain on the inactive roster for no more than 180 consecutive days, unless the
275.21 individual submits a written request to the commissioner requesting to remain on the inactive
275.22 roster for a longer period of time. Upon the commissioner's receipt of information that may
275.23 cause an individual on the inactive roster to be disqualified under this chapter, the
275.24 commissioner shall remove the individual from the inactive roster, and if the individual
275.25 again seeks a position requiring a background study, the individual shall be required to
275.26 complete a new background study.

275.27 (d) "Master roster" means the list maintained by the commissioner of all individuals
275.28 who, as a result of a background study under this chapter, and regardless of affiliation with
275.29 an entity, are determined by the commissioner to be eligible to provide services for one or
275.30 more entities. The master roster includes all background study subjects on rosters under
275.31 paragraphs (b) and (c).

275.32 Subd. 22. **Serious maltreatment.** (a) "Serious maltreatment" means sexual abuse,
275.33 maltreatment resulting in death, neglect resulting in serious injury which reasonably requires
275.34 the care of a physician or advanced practice registered nurse, whether or not the care of a

276.1 physician or advanced practice registered nurse was sought, or abuse resulting in serious
276.2 injury.

276.3 (b) For purposes of this definition, "care of a physician or advanced practice registered
276.4 nurse" is treatment received or ordered by a physician, physician assistant, advanced practice
276.5 registered nurse, or nurse practitioner, but does not include:

276.6 (1) diagnostic testing, assessment, or observation;

276.7 (2) the application of, recommendation to use, or prescription solely for a remedy that
276.8 is available over the counter without a prescription; or

276.9 (3) a prescription solely for a topical antibiotic to treat burns when there is no follow-up
276.10 appointment.

276.11 (c) For purposes of this definition, "abuse resulting in serious injury" means: bruises,
276.12 bites, skin laceration, or tissue damage; fractures; dislocations; evidence of internal injuries;
276.13 head injuries with loss of consciousness; extensive second-degree or third-degree burns and
276.14 other burns for which complications are present; extensive second-degree or third-degree
276.15 frostbite and other frostbite for which complications are present; irreversible mobility or
276.16 avulsion of teeth; injuries to the eyes; ingestion of foreign substances and objects that are
276.17 harmful; near drowning; and heat exhaustion or sunstroke.

276.18 (d) Serious maltreatment includes neglect when it results in criminal sexual conduct
276.19 against a child or vulnerable adult.

276.20 Subd. 23. **Subject of a background study.** "Subject of a background study" means an
276.21 individual on whom a public law background study is required or completed.

276.22 Subd. 24. **Volunteer.** "Volunteer" means an individual who provides or seeks to provide
276.23 services for an entity without compensation, is affiliated in NETStudy 2.0, and is subject
276.24 to oversight by the entity, including but not limited to continuous, direct supervision and
276.25 immediate removal from providing direct care services.

276.26 Sec. 34. **[245J.03] PUBLIC LAW BACKGROUND STUDY; INDIVIDUALS TO BE**
276.27 **STUDIED.**

276.28 Subdivision 1. **Classification of public law background study data; access to**
276.29 **information.** All data obtained by the commissioner for a background study completed
276.30 under this chapter shall be classified as private data.

276.31 Subd. 2. **Minnesota Sex Offender Program.** The commissioner shall conduct a public
276.32 law background study under this chapter for an employee having direct contact with persons

277.1 civily committed to the Minnesota Sex Offender Program operated by the commissioner
277.2 under chapters 246B and 253D.

277.3 Sec. 35. **[245J.04] WHEN BACKGROUND STUDY MUST OCCUR.**

277.4 Subdivision 1. **Initial studies.** (a) An entity in section 245J.03 shall initiate a background
277.5 study:

277.6 (1) for an individual in NETStudy 2.0, upon application for initial license. All license
277.7 holders must be on the entity's active roster with a status of eligible, set aside, or variance
277.8 granted;

277.9 (2) for a current or prospective employee in NETStudy 2.0, before the individual will
277.10 have direct contact with persons receiving services; and

277.11 (3) for a volunteer in NETStudy 2.0, before the volunteer will have direct contact with
277.12 persons served by the program, if the contact is not under the continuous, direct supervision
277.13 by an individual listed in clause (1) or (2).

277.14 (b) The commissioner is not required to conduct a study of an individual at the time of
277.15 reapplication for a license if the individual's background study was completed by the
277.16 commissioner of human services and the following conditions are met:

277.17 (1) a study of the individual was conducted either at the time of initial licensure or when
277.18 the individual became affiliated with the license holder;

277.19 (2) the individual has been continuously affiliated with the license holder since the last
277.20 study was conducted; and

277.21 (3) the last study of the individual was conducted on or after October 1, 1995.

277.22 (c) Applicants for licensure, license holders, and entities as provided in this chapter must
277.23 submit completed background study requests to the commissioner using NETStudy 2.0
277.24 before individuals specified in section 245J.03, subdivision 1, begin positions allowing
277.25 direct contact in the program.

277.26 (d) For an individual who is not on the entity's active roster, the entity must initiate a
277.27 new background study through NETStudy 2.0 when:

277.28 (1) an individual returns to a position requiring a background study following an absence
277.29 of 120 or more consecutive days; or

277.30 (2) a program that discontinued providing licensed direct contact services for 120 or
277.31 more consecutive days begins to provide direct contact licensed services again.

278.1 The entity shall maintain a copy of the notification provided to the commissioner under this
278.2 paragraph in the program's files. If the individual's disqualification was previously set aside
278.3 for the license holder's program and the new background study results in no new information
278.4 that indicates the individual may pose a risk of harm to persons receiving services from the
278.5 entity, the previous set-aside shall remain in effect.

278.6 (e) For purposes of this section, a physician licensed under chapter 147 or an advanced
278.7 practice registered nurse licensed under chapter 148 who is required to have a background
278.8 study under this chapter is considered to be continuously affiliated upon the license holder's
278.9 receipt from the commissioner of human services of the physician's or advanced practice
278.10 registered nurse's background study results.

278.11 Subd. 2. **Public law background studies; electronic criminal case information**
278.12 **updates; rosters; criteria for eliminating repeat background studies.** (a) The
278.13 commissioner shall implement the electronic process in NETStudy 2.0 for the regular transfer
278.14 of new criminal case information that is added to the Minnesota Court Information System.
278.15 The commissioner's system must include for review only information that relates to
278.16 individuals who are on the master roster.

278.17 (b) The commissioner shall develop and implement an online system as a part of
278.18 NETStudy 2.0 for entities that initiate background studies under this chapter to access and
278.19 maintain records of background studies initiated by that entity. The system must show all
278.20 active background study subjects affiliated with that entity and the status of each individual's
278.21 background study. Each entity that initiates background studies must use this system to
278.22 notify the commissioner of discontinued affiliation for purposes of the processes required
278.23 under paragraph (a).

278.24 Subd. 3. **New study required with legal name change.** (a) For a background study
278.25 completed on an individual required to be studied under section 245J.03, the license holder
278.26 or other entity that initiated the background study must initiate a new background study
278.27 using NETStudy 2.0 when an individual who is affiliated with the license holder or other
278.28 entity undergoes a legal name change.

278.29 (b) For background studies subject to a fee paid through NETStudy 2.0, the entity that
278.30 initiated the study may initiate a new study under paragraph (a) or notify the commissioner
278.31 of the name change through a notice to the commissioner.

278.32 (c) After an entity initiating a background study has paid the applicable fee for the study
278.33 and has provided the individual with the privacy notice required under section 245J.05,
278.34 subdivision 3, NETStudy 2.0 shall immediately inform the entity whether the individual

279.1 requires a background study or whether the individual is immediately eligible to provide
 279.2 services based on a previous background study. If the individual is immediately eligible,
 279.3 the entity initiating the background study shall be able to view the information previously
 279.4 supplied by the individual who is the subject of a background study as required under section
 279.5 245J.05, subdivision 1, including the individual's photograph taken at the time the individual's
 279.6 fingerprints were recorded. The commissioner shall not provide any entity initiating a
 279.7 subsequent background study with information regarding the other entities that initiated
 279.8 background studies on the subject.

279.9 (d) Verification that an individual is eligible to provide services based on a previous
 279.10 background study is dependent on the individual voluntarily providing the individual's
 279.11 Social Security number to the commissioner at the time each background study is initiated.
 279.12 When an individual does not provide the individual's Social Security number for the
 279.13 background study, that study is not transferable and a repeat background study on that
 279.14 individual is required if the individual seeks a position requiring a background study under
 279.15 this chapter with another entity.

279.16 **Sec. 36. [245J.05] BACKGROUND STUDY; INFORMATION AND DATA**
 279.17 **PROVIDED TO COMMISSIONER.**

279.18 Subdivision 1. **Study submitted.** The entity with which the background study subject
 279.19 is seeking affiliation through employment, volunteering, or licensure shall initiate the
 279.20 background study in NETStudy 2.0.

279.21 Subd. 2. **Individual studied.** (a) The individual who is the subject of the background
 279.22 study must provide the applicant, license holder, or other entity under section 245J.04 with
 279.23 sufficient information to ensure an accurate study, including:

279.24 (1) the individual's first, middle, and last name and all other names by which the
 279.25 individual has been known;

279.26 (2) current home address, city, and state of residence;

279.27 (3) current zip code;

279.28 (4) sex;

279.29 (5) date of birth;

279.30 (6) driver's license number or state identification number; and

279.31 (7) the home address, city, county, and state of residence for the past five years.

280.1 (b) The subject of a background study shall provide fingerprints and a photograph as
280.2 required in subdivision 6.

280.3 Subd. 3. **Entity.** (a) The entity initiating a background study as provided in this chapter
280.4 shall verify that the information collected under subdivision 1 about an individual who is
280.5 the subject of the background study is correct and must provide the information on forms
280.6 or in a manner prescribed by the commissioner.

280.7 (b) The information collected under subdivision 1 about an individual who is the subject
280.8 of a completed background study may only be viewable by an entity that initiates a
280.9 subsequent background study on that individual under NETStudy 2.0 after the entity has
280.10 paid the applicable fee for the study and has provided the individual with the privacy notice
280.11 in subdivision 4.

280.12 Subd. 4. **Privacy notice to background study subject.** (a) Prior to initiating each
280.13 background study, the entity initiating the study must provide the commissioner's privacy
280.14 notice to the background study subject required under section 13.04, subdivision 2. The
280.15 notice must be available through the commissioner's electronic NETStudy 2.0 system and
280.16 shall include information that the individual has a disqualification that has been set aside
280.17 for the entity that initiated the study.

280.18 (b) The background study subject must also be informed that:

280.19 (1) the subject's fingerprints collected for purposes of completing the background study
280.20 under this chapter must not be retained by the Department of Public Safety, the Bureau of
280.21 Criminal Apprehension, or the commissioner. The Federal Bureau of Investigation will not
280.22 retain background study subjects' fingerprints;

280.23 (2) the subject's photograph will be retained by the commissioner, and if the subject has
280.24 provided the subject's Social Security number for purposes of the background study, the
280.25 photograph will be available to prospective employers and agencies initiating background
280.26 studies under this chapter to verify the identity of the subject of the background study;

280.27 (3) the authorized fingerprint collection vendor or vendors shall, for purposes of verifying
280.28 the identity of the background study subject, be able to view the identifying information
280.29 entered into NETStudy 2.0 by the entity that initiated the background study, but shall not
280.30 retain the subject's fingerprints, photograph, or information from NETStudy 2.0. The
280.31 authorized fingerprint collection vendor or vendors shall retain no more than the subject's
280.32 name and the date and time the subject's fingerprints were recorded and sent, only as
280.33 necessary for auditing and billing activities;

281.1 (4) the commissioner shall provide the subject notice, as required in section 245J.15,
281.2 subdivision 1, paragraph (a), when an entity initiates a background study on the individual;

281.3 (5) the subject may request in writing a report listing the entities that initiated a
281.4 background study on the subject as provided in section 245J.15, subdivision 1, paragraph
281.5 (b);

281.6 (6) the subject may request in writing that information used to complete the individual's
281.7 background study in NETStudy 2.0 be destroyed if the requirements of section 245J.06,
281.8 paragraph (a), are met; and

281.9 (7) notwithstanding clause (6), the commissioner shall destroy:

281.10 (i) the subject's photograph after a period of two years when the requirements of section
281.11 245J.06, paragraph (c), are met; and

281.12 (ii) any data collected on a subject under this chapter after a period of two years following
281.13 the individual's death as provided in section 245J.06, paragraph (d).

281.14 Subd. 5. **Fingerprint data notification.** The commissioner of human services shall
281.15 notify all background study subjects under this chapter that the Department of Human
281.16 Services, Department of Public Safety, and the Bureau of Criminal Apprehension do not
281.17 retain fingerprint data after a background study is completed, and that the Federal Bureau
281.18 of Investigation does not retain background study subjects' fingerprints.

281.19 Subd. 6. **Electronic transmission.** (a) The commissioner shall implement a secure
281.20 system for the electronic transmission of:

281.21 (1) background study information to the commissioner; and

281.22 (2) background study results to the license holder.

281.23 (b) Unless the commissioner has granted a hardship variance under paragraph (c), a
281.24 license holder or an applicant must use the electronic transmission system known as
281.25 NETStudy or NETStudy 2.0 to submit all requests for background studies to the
281.26 commissioner as required by this chapter.

281.27 (c) A license holder or applicant whose program is located in an area in which high-speed
281.28 Internet is inaccessible may request the commissioner to grant a variance to the electronic
281.29 transmission requirement.

281.30 (d) Section 245J.08, subdivision 3, paragraph (c), applies to results transmitted under
281.31 this subdivision.

282.1 Subd. 7. Fingerprints and photograph. (a) Except as provided in paragraph (f), every
282.2 subject of a background study must provide the commissioner with a set of the background
282.3 study subject's classifiable fingerprints and photograph. The photograph and fingerprints
282.4 must be recorded at the same time by the authorized fingerprint collection vendor or vendors
282.5 and sent to the commissioner through the commissioner's secure data system described in
282.6 section 245J.29, subdivision 1a, paragraph (b).

282.7 (b) The fingerprints shall be submitted by the commissioner to the Bureau of Criminal
282.8 Apprehension and, when specifically required by law, submitted to the Federal Bureau of
282.9 Investigation for a national criminal history record check.

282.10 (c) The fingerprints must not be retained by the Department of Public Safety, the Bureau
282.11 of Criminal Apprehension, or the commissioner. The Federal Bureau of Investigation will
282.12 not retain background study subjects' fingerprints.

282.13 (d) The authorized fingerprint collection vendor or vendors shall, for purposes of verifying
282.14 the identity of the background study subject, be able to view the identifying information
282.15 entered into NETStudy 2.0 by the entity that initiated the background study, but shall not
282.16 retain the subject's fingerprints, photograph, or information from NETStudy 2.0. The
282.17 authorized fingerprint collection vendor or vendors shall retain no more than the name, date,
282.18 and time the subject's fingerprints were recorded and sent, only as necessary for auditing
282.19 and billing activities.

282.20 (e) For any background study conducted under this chapter, the subject shall provide
282.21 the commissioner with a set of classifiable fingerprints when the commissioner has reasonable
282.22 cause to require a national criminal history record check as defined in section 245J.02,
282.23 subdivision 13.

282.24 (f) A study subject is not required to submit fingerprints and a photograph for a new
282.25 study if they currently have an eligible background study status on an active roster or on
282.26 the master roster. The entity initiating the new study shall have access to the eligible status
282.27 upon completion of the initiation and payment process.

282.28 (g) The commissioner may inform the entity that initiated the background study under
282.29 NETStudy 2.0 of the status of processing of the subject's fingerprints.

282.30 Subd. 8. Applicant, license holder, and entity. (a) The applicant, license holder, entity
282.31 as provided in this chapter, Bureau of Criminal Apprehension, law enforcement agencies,
282.32 commissioner of health, and county agencies shall help with the study by giving the
282.33 commissioner criminal conviction data and reports about the maltreatment of adults

283.1 substantiated under section 626.557 and the maltreatment of minors substantiated under
283.2 chapter 260E.

283.3 (b) If a background study is initiated by an applicant, license holder, or entity as provided
283.4 in this chapter, and the applicant, license holder, or entity receives information about the
283.5 possible criminal or maltreatment history of an individual who is the subject of the
283.6 background study, the applicant, license holder, or entity must immediately provide the
283.7 information to the commissioner.

283.8 (c) The applicant, license holder, entity, or county or other agency must provide written
283.9 notice to the individual who is the subject of the background study of the requirements
283.10 under this subdivision.

283.11 Subd. 9. Probation officer and corrections agent. (a) A probation officer or corrections
283.12 agent shall notify the commissioner of an individual's conviction if the individual:

283.13 (1) has been affiliated with a program or facility regulated by the Department of Human
283.14 Services or Department of Health, a facility serving children or youth licensed by the
283.15 Department of Corrections, or any type of home care agency or provider of personal care
283.16 assistance services within the preceding year; and

283.17 (2) has been convicted of a crime constituting a disqualification under section 245J.14.

283.18 (b) The commissioner, in consultation with the commissioner of corrections, shall develop
283.19 forms and information necessary to implement this subdivision and shall provide the forms
283.20 and information to the commissioner of corrections for distribution to local probation officers
283.21 and corrections agents.

283.22 (c) The commissioner shall inform individuals subject to a background study that criminal
283.23 convictions for disqualifying crimes shall be reported to the commissioner by the corrections
283.24 system.

283.25 (d) A probation officer, corrections agent, or corrections agency is not civilly or criminally
283.26 liable for disclosing or failing to disclose the information required by this subdivision.

283.27 (e) Upon receipt of disqualifying information, the commissioner shall provide the notice
283.28 required under section 245J.17, as appropriate, to entities on whose active rosters the study
283.29 subject is affiliated.

284.1 **Sec. 37. [245J.06] DESTRUCTION OF BACKGROUND STUDY SUBJECT**
284.2 **INFORMATION.**

284.3 (a) A background study subject may request in writing to the commissioner that
284.4 information used to complete the individual's study in NETStudy 2.0 be destroyed if the
284.5 individual:

284.6 (1) has not been affiliated with any entity for the previous two years; and

284.7 (2) has no current disqualifying characteristic.

284.8 (b) After receiving the request and verifying the information in paragraph (a), the
284.9 commissioner shall destroy the information used to complete the subject's background study
284.10 and shall keep a record of the subject's name and a notation of the date that the information
284.11 was destroyed.

284.12 (c) When a previously studied individual has not been on the master roster for two years,
284.13 the commissioner shall destroy the photographic image of the individual obtained under
284.14 section 245J.05, subdivision 7, paragraph (a).

284.15 (d) Any data collected on an individual under this chapter that is maintained by the
284.16 commissioner that has not been destroyed according to paragraph (b) or (c) shall be destroyed
284.17 when two years have elapsed from the individual's actual death that is reported to the
284.18 commissioner or when 90 years have elapsed since the individual's birth except when readily
284.19 available data indicate that the individual is still living.

284.20 **Sec. 38. [245J.07] STUDY SUBJECT AFFILIATED WITH MULTIPLE**
284.21 **FACILITIES.**

284.22 (a) Subject to the conditions in paragraph (c), when a license holder, applicant, or other
284.23 entity owns multiple programs or services that are licensed by the same agency, only one
284.24 background study is required for an individual who provides direct contact services in one
284.25 or more of the licensed programs or services if:

284.26 (1) the license holder designates one individual with one address and telephone number
284.27 as the person to receive sensitive background study information for the multiple licensed
284.28 programs or services that depend on the same background study; and

284.29 (2) the individual designated to receive the sensitive background study information is
284.30 capable of determining, upon request of the department, whether a background study subject
284.31 is providing direct contact services in one or more of the license holder's programs or services
284.32 and, if so, at which location or locations.

285.1 (b) When a license holder maintains background study compliance for multiple licensed
285.2 programs according to paragraph (a), and one or more of the licensed programs closes, the
285.3 license holder shall immediately notify the commissioner which staff must be transferred
285.4 to an active license so that the background studies can be electronically paired with the
285.5 license holder's active program.

285.6 (c) For an entity operating under NETStudy 2.0, the entity's active roster must be the
285.7 system used to document when a background study subject is affiliated with multiple entities.
285.8 For a background study to be transferable:

285.9 (1) the background study subject must be on and moving to a roster for which the person
285.10 designated to receive sensitive background study information is the same; and

285.11 (2) the same entity must own or legally control both the roster from which the transfer
285.12 is occurring and the roster to which the transfer is occurring. For an entity that holds or
285.13 controls multiple entities, there must be a common highest level entity that has a legally
285.14 identifiable structure that can be verified through records available from the secretary of
285.15 state.

285.16 Sec. 39. **[245J.08] BACKGROUND STUDY; COMMISSIONER REVIEWS.**

285.17 Subdivision 1. **Background studies conducted by Department of Human Services.** (a)
285.18 For a background study conducted under this chapter, the commissioner shall review:

285.19 (1) information related to findings of maltreatment of vulnerable adults that has been
285.20 received by the commissioner as required under section 626.557, subdivision 9c, paragraph
285.21 (j);

285.22 (2) information related to findings of maltreatment of minors that has been received by
285.23 the commissioner as required under chapter 260E;

285.24 (3) the commissioner's records relating to maltreatment in programs licensed by the
285.25 Department of Human Services and the Department of Health;

285.26 (4) information from juvenile courts as required in subdivision 4 when there is reasonable
285.27 cause;

285.28 (5) criminal history information from the Bureau of Criminal Apprehension, including
285.29 information regarding a background study subject's registration in Minnesota as a predatory
285.30 offender under section 243.166; and

286.1 (6) information received as a result of a national criminal history record check, as defined
286.2 in section 245J.02, subdivision 13, when the commissioner has reasonable cause for a
286.3 national criminal history record check as defined under section 245J.02, subdivision 16.

286.4 (b) Notwithstanding expungement by a court, the commissioner may consider information
286.5 obtained under this section, unless the commissioner received notice of the petition for
286.6 expungement and the court order for expungement is directed specifically to the
286.7 commissioner.

286.8 (c) The commissioner shall also review criminal case information received according
286.9 to section 245J.04, subdivision 2, from the Minnesota Court Information System or Minnesota
286.10 Government Access that relates to individuals who are being studied or have already been
286.11 studied under this chapter and who remain affiliated with the agency that initiated the
286.12 background study.

286.13 Subd. 2. **Arrest and investigative information.** (a) For any background study completed
286.14 under this chapter, if the commissioner has reasonable cause to believe the information is
286.15 pertinent to the potential disqualification of an individual, the commissioner also may review
286.16 arrest and investigative information from:

286.17 (1) the Bureau of Criminal Apprehension;

286.18 (2) the commissioners of health and human services;

286.19 (3) a county attorney;

286.20 (4) a county sheriff;

286.21 (5) a county agency;

286.22 (6) a local chief of police;

286.23 (7) other states;

286.24 (8) the courts;

286.25 (9) the Federal Bureau of Investigation;

286.26 (10) the National Criminal Records Repository; and

286.27 (11) criminal records from other states.

286.28 (b) Except when specifically required by law, the commissioner is not required to conduct
286.29 more than one review of a subject's records from a national criminal history record check
286.30 if a review of the subject's criminal history with the Federal Bureau of Investigation has

287.1 already been completed by the commissioner and there has been no break in the subject's
287.2 affiliation with the entity that initiated the background study.

287.3 Subd. 3. **Juvenile court records.** (a) For a background study conducted by the
287.4 Department of Human Services, the commissioner shall review records from the juvenile
287.5 courts for an individual studied under this chapter when the commissioner has reasonable
287.6 cause.

287.7 (b) The juvenile courts shall help with the study by giving the commissioner existing
287.8 juvenile court records relating to delinquency proceedings held on individuals studied under
287.9 this chapter when requested pursuant to this subdivision.

287.10 (c) For purposes of this chapter, a finding that a delinquency petition is proven in juvenile
287.11 court shall be considered a conviction in state district court.

287.12 (d) Juvenile courts shall provide orders of involuntary and voluntary termination of
287.13 parental rights under section 260C.301 to the commissioner upon request for purposes of
287.14 conducting a background study under this chapter.

287.15 Sec. 40. **[245J.09] FAILURE OR REFUSAL TO COOPERATE WITH**
287.16 **BACKGROUND STUDY.**

287.17 Subdivision 1. **Disqualification; licensing action.** An applicant's, license holder's, or
287.18 other entity's failure or refusal to cooperate with the commissioner, including failure to
287.19 provide additional information required under section 245J.05, is reasonable cause to
287.20 disqualify a subject, deny a license application, or immediately suspend or revoke a license
287.21 or registration.

287.22 Subd. 2. **Employment action.** An individual's failure or refusal to cooperate with the
287.23 background study is just cause for denying or terminating employment of the individual if
287.24 the individual's failure or refusal to cooperate could cause the applicant's application to be
287.25 denied or the license holder's license to be immediately suspended or revoked.

287.26 Sec. 41. **[245J.10] BACKGROUND STUDY; FEES.**

287.27 Subdivision 1. **Expenses.** Section 181.645 does not apply to background studies
287.28 completed under this chapter.

287.29 Subd. 2. **Background study fees.** (a) The commissioner shall recover the cost of
287.30 background studies. Except as otherwise provided in subdivisions 3 and 4, the fees collected
287.31 under this section shall be appropriated to the commissioner for the purpose of conducting

288.1 background studies under this chapter. Fees under this section are charges under section
288.2 16A.1283, paragraph (b), clause (3).

288.3 (b) Background study fees may include:

288.4 (1) a fee to compensate the commissioner's authorized fingerprint collection vendor or
288.5 vendors for obtaining and processing a background study subject's classifiable fingerprints
288.6 and photograph pursuant to subdivision 3; and

288.7 (2) a separate fee under subdivision 3 to complete a review of background-study-related
288.8 records as authorized under this chapter.

288.9 (c) Fees charged under paragraph (b) may be paid in whole or in part when authorized
288.10 by law by a state agency or board; by state court administration; by a service provider,
288.11 employer, license holder, or other entity that initiates the background study; by the
288.12 commissioner or other organization with duly appropriated funds; by a background study
288.13 subject; or by some combination of these sources.

288.14 Subd. 3. **Fingerprint and photograph processing fees.** The commissioner shall enter
288.15 into a contract with a qualified vendor or vendors to obtain and process a background study
288.16 subject's classifiable fingerprints and photograph as required by section 245J.05. The
288.17 commissioner may, at their discretion, directly collect fees and reimburse the commissioner's
288.18 authorized fingerprint collection vendor for the vendor's services or require the vendor to
288.19 collect the fees. The authorized vendor is responsible for reimbursing the vendor's
288.20 subcontractors at a rate specified in the contract with the commissioner.

288.21 Subd. 4. **National criminal history record check fees.** The commissioner may increase
288.22 background study fees as necessary, commensurate with an increase in the national criminal
288.23 history record check fee. The commissioner shall report any fee increase under this
288.24 subdivision to the legislature during the legislative session following the fee increase, so
288.25 that the legislature may consider adoption of the fee increase into statute. By July 1 of every
288.26 year, background study fees shall be set at the amount adopted by the legislature under this
288.27 section.

288.28 Subd. 5. **Minnesota Sex Offender Program.** The commissioner shall recover the cost
288.29 of background studies for the Minnesota Sex Offender Program required under section
288.30 245J.03, subdivision 1, through a fee of no more than \$42 per study charged to the entity
288.31 submitting the study. The fees collected under this subdivision are appropriated to the
288.32 commissioner for the purpose of conducting background studies.

289.1 Sec. 42. **[245J.11] BACKGROUND STUDY PROCESSING.**

289.2 **Subdivision 1. Completion of background study.** Upon receipt of the background
289.3 study forms from an entity required to initiate a background study under this chapter, the
289.4 commissioner shall complete the background study and provide the notice required under
289.5 section 245J.15, subdivision 1.

289.6 **Subd. 2. Activities pending completion of background study.** (a) The subject of a
289.7 background study may not perform any activity requiring a background study under
289.8 paragraph (c) until the commissioner has issued one of the notices under paragraph (b).

289.9 (b) Notices from the commissioner required prior to activity under paragraph (c) include:

289.10 (1) a notice of the study results under section 245J.15 stating that:

289.11 (i) the individual is not disqualified; or

289.12 (ii) more time is needed to complete the study but the individual is not required to be
289.13 removed from direct contact or access to people receiving services prior to completion of
289.14 the study as provided under section 245J.15, subdivision 1, paragraph (b) or (c). The notice
289.15 that more time is needed to complete the study must also indicate whether the individual is
289.16 required to be under continuous direct supervision prior to completion of the background
289.17 study;

289.18 (2) a notice that a disqualification has been set aside under section 245J.21; or

289.19 (3) a notice that a variance has been granted related to the individual under section
289.20 245J.27.

289.21 (c) Activities prohibited prior to receipt of notice under paragraph (b) include:

289.22 (1) being issued a license; or

289.23 (2) providing direct contact services to persons served by a program unless the subject
289.24 is under continuous direct supervision.

289.25 **Subd. 3. Other state information.** If the commissioner has not received criminal, sex
289.26 offender, or maltreatment information from another state that is required to be reviewed
289.27 under this chapter within ten days of requesting the information, and the lack of the
289.28 information is the only reason that a notice is issued under subdivision 2, paragraph (b),
289.29 clause (1), item (ii), the commissioner may issue a notice under subdivision 2, paragraph
289.30 (b), clause (1), item (i). The commissioner may take action on information received from
289.31 other states after issuing a notice under subdivision 2, paragraph (b), clause (1), item (ii).

290.1 Sec. 43. **[245J.12] DISQUALIFICATION.**

290.2 Subdivision 1. **Disqualification from direct contact.** (a) The commissioner shall
290.3 disqualify an individual who is the subject of a background study from any position allowing
290.4 direct contact with persons receiving services from the entity identified in section 245J.03,
290.5 upon receipt of information showing, or when a background study completed under this
290.6 chapter shows any of the following:

290.7 (1) a conviction of, admission to, or Alford plea to one or more crimes listed in section
290.8 245J.13, regardless of whether the conviction or admission is a felony, gross misdemeanor,
290.9 or misdemeanor level crime;

290.10 (2) a preponderance of the evidence indicates the individual has committed an act or
290.11 acts that meet the definition of any of the crimes listed in section 245J.13, regardless of
290.12 whether the preponderance of the evidence is for a felony, gross misdemeanor, or
290.13 misdemeanor level crime;

290.14 (3) an investigation results in an administrative determination listed under section 245J.13,
290.15 subdivision 4, paragraph (b); or

290.16 (4) involuntary termination of parental rights issued under subdivision 3 or section
290.17 260C.301, subdivision 1, paragraph (b).

290.18 (b) No individual who is disqualified following a background study under this chapter
290.19 may be retained in a position involving direct contact with persons served by a program or
290.20 entity identified in section 245J.03, unless the commissioner has provided written notice
290.21 under section 245J.15 stating that:

290.22 (1) the individual may remain in direct contact during the period in which the individual
290.23 may request reconsideration as provided in section 245J.19, subdivision 2;

290.24 (2) the commissioner has set aside the individual's disqualification for that entity as
290.25 provided in section 245J.20, subdivision 4; or

290.26 (3) the license holder has been granted a variance for the disqualified individual under
290.27 section 245J.27.

290.28 Subd. 2. **Disqualification from access.** (a) If an individual who is studied under this
290.29 chapter is disqualified from direct contact under subdivision 1, the commissioner shall also
290.30 disqualify the individual from access to a person receiving services from the entity.

291.1 (b) No individual who is disqualified following a background study under this chapter
 291.2 may be allowed access to persons served by the program unless the commissioner has
 291.3 provided written notice under section 245J.15 stating that:

291.4 (1) the individual may remain in direct contact during the period in which the individual
 291.5 may request reconsideration as provided in section 245J.19, subdivision 2;

291.6 (2) the commissioner has set aside the individual's disqualification for that entity as
 291.7 provided in section 245J.20, subdivision 4; or

291.8 (3) the license holder has been granted a variance for the disqualified individual under
 291.9 section 245J.27.

291.10 Sec. 44. **[245J.13] DISQUALIFYING CRIMES OR CONDUCT.**

291.11 Subdivision 1. **Permanent disqualification.** (a) An individual is disqualified under
 291.12 section 245J.12 if: (1) regardless of how much time has passed since the discharge of the
 291.13 sentence imposed, if any, for the offense; and (2) unless otherwise specified, regardless of
 291.14 the level of the offense, the individual has committed any of the following offenses: sections
 291.15 243.166 (violation of predatory offender registration law); 609.185 (murder in the first
 291.16 degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20
 291.17 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); a felony
 291.18 offense under 609.221 or 609.222 (assault in the first or second degree); a felony offense
 291.19 under sections 609.2242 and 609.2243 (domestic assault), spousal abuse, child abuse or
 291.20 neglect, or a crime against children; 609.2247 (domestic assault by strangulation); 609.228
 291.21 (great bodily harm caused by distribution of drugs); 609.245 (aggravated robbery); 609.25
 291.22 (kidnapping); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder
 291.23 of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third
 291.24 degree); 609.322 (solicitation, inducement, and promotion of prostitution); 609.324,
 291.25 subdivision 1 (other prohibited acts); 609.342 (criminal sexual conduct in the first degree);
 291.26 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal sexual conduct
 291.27 in the third degree); 609.345 (criminal sexual conduct in the fourth degree); 609.3451
 291.28 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory conduct);
 291.29 609.3458 (sexual extortion); 609.352 (solicitation of children to engage in sexual conduct);
 291.30 609.365 (incest); a felony offense under 609.377 (malicious punishment of a child); a felony
 291.31 offense under 609.378 (neglect or endangerment of a child); 609.561 (arson in the first
 291.32 degree); 609.66, subdivision 1e (drive-by shooting); 609.749, subdivision 3, 4, or 5
 291.33 (felony-level harassment or stalking); 609.855, subdivision 5 (shooting at or in a public
 291.34 transit vehicle or facility); 617.23, subdivision 2, clause (1), or subdivision 3, clause (1)

292.1 (indecent exposure involving a minor); 617.246 (use of minors in sexual performance
292.2 prohibited); or 617.247 (possession of pictorial representations of minors).

292.3 (b) An individual's aiding and abetting, attempt, or conspiracy to commit any of the
292.4 offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes,
292.5 permanently disqualifies the individual under section 245J.12.

292.6 (c) An individual's offense in any other state or country, where the elements of the offense
292.7 are substantially similar to any of the offenses listed in paragraph (a), permanently disqualifies
292.8 the individual under section 245J.12.

292.9 (d) When a disqualification is based on a judicial determination other than a conviction,
292.10 the disqualification period begins from the date of the court order. When a disqualification
292.11 is based on an admission, the disqualification period begins from the date of an admission
292.12 in court. When a disqualification is based on an Alford Plea, the disqualification period
292.13 begins from the date the Alford Plea is entered in court. When a disqualification is based
292.14 on a preponderance of evidence of a disqualifying act, the disqualification date begins from
292.15 the date of the dismissal, the date of discharge of the sentence imposed for a conviction for
292.16 a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

292.17 (e) If the individual studied commits one of the offenses listed in paragraph (a) that is
292.18 specified as a felony-level only offense, but the sentence or level of offense is a gross
292.19 misdemeanor or misdemeanor, the individual is disqualified, but the disqualification
292.20 look-back period for the offense is the period applicable to gross misdemeanor or
292.21 misdemeanor offenses.

292.22 Subd. 2. **15-year disqualification.** (a) An individual is disqualified under section 245J.12
292.23 if: (1) less than 15 years have passed since the discharge of the sentence imposed, if any,
292.24 for the offense; and (2) the individual has committed a felony-level violation of any of the
292.25 following offenses: sections 256.98 (wrongfully obtaining assistance); 268.182 (fraud);
292.26 393.07, subdivision 10, paragraph (c) (federal SNAP fraud); 609.165 (felon ineligible to
292.27 possess firearm); 609.2112, 609.2113, or 609.2114 (criminal vehicular homicide or injury);
292.28 609.215 (suicide); 609.223 or 609.2231 (assault in the third or fourth degree); repeat offenses
292.29 under 609.224 (assault in the fifth degree); 609.229 (crimes committed for benefit of a
292.30 gang); 609.2325 (criminal abuse of a vulnerable adult); 609.2335 (financial exploitation of
292.31 a vulnerable adult); 609.235 (use of drugs to injure or facilitate crime); 609.24 (simple
292.32 robbery); 609.255 (false imprisonment); 609.2664 (manslaughter of an unborn child in the
292.33 first degree); 609.2665 (manslaughter of an unborn child in the second degree); 609.267
292.34 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child in the

293.1 second degree); 609.268 (injury or death of an unborn child in the commission of a crime);
293.2 609.27 (coercion); 609.275 (attempt to coerce); 609.466 (medical assistance fraud); 609.495
293.3 (aiding an offender); 609.498, subdivision 1 or 1b (aggravated first-degree or first-degree
293.4 tampering with a witness); 609.52 (theft); 609.521 (possession of shoplifting gear); 609.525
293.5 (bringing stolen goods into Minnesota); 609.527 (identity theft); 609.53 (receiving stolen
293.6 property); 609.535 (issuance of dishonored checks); 609.562 (arson in the second degree);
293.7 609.563 (arson in the third degree); 609.582 (burglary); 609.59 (possession of burglary
293.8 tools); 609.611 (insurance fraud); 609.625 (aggravated forgery); 609.63 (forgery); 609.631
293.9 (check forgery; offering a forged check); 609.635 (obtaining signature by false pretense);
293.10 609.66 (dangerous weapons); 609.67 (machine guns and short-barreled shotguns); 609.687
293.11 (adulteration); 609.71 (riot); 609.713 (terroristic threats); 609.82 (fraud in obtaining credit);
293.12 609.821 (financial transaction card fraud); 617.23 (indecent exposure), not involving a
293.13 minor; repeat offenses under 617.241 (obscene materials and performances; distribution
293.14 and exhibition prohibited; penalty); 624.713 (certain persons not to possess firearms); chapter
293.15 152 (drugs; controlled substance); or Minnesota Statutes 2012, section 609.21; or a
293.16 felony-level conviction involving alcohol or drug use.

293.17 (b) An individual is disqualified under section 245J.12 if less than 15 years has passed
293.18 since the individual's aiding and abetting, attempt, or conspiracy to commit any of the
293.19 offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes.

293.20 (c) An individual is disqualified under section 245J.12 if less than 15 years has passed
293.21 since the termination of the individual's parental rights under section 260C.301, subdivision
293.22 1, paragraph (b), or subdivision 3.

293.23 (d) An individual is disqualified under section 245J.12 if less than 15 years has passed
293.24 since the discharge of the sentence imposed for an offense in any other state or country, the
293.25 elements of which are substantially similar to the elements of the offenses listed in paragraph
293.26 (a).

293.27 (e) If the individual studied commits one of the offenses listed in paragraph (a), but the
293.28 sentence or level of offense is a gross misdemeanor or misdemeanor, the individual is
293.29 disqualified but the disqualification look-back period for the offense is the period applicable
293.30 to the gross misdemeanor or misdemeanor disposition.

293.31 (f) When a disqualification is based on a judicial determination other than a conviction,
293.32 the disqualification period begins from the date of the court order. When a disqualification
293.33 is based on an admission, the disqualification period begins from the date of an admission
293.34 in court. When a disqualification is based on an Alford Plea, the disqualification period

294.1 begins from the date the Alford Plea is entered in court. When a disqualification is based
294.2 on a preponderance of evidence of a disqualifying act, the disqualification date begins from
294.3 the date of the dismissal, the date of discharge of the sentence imposed for a conviction for
294.4 a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

294.5 Subd. 3. **Ten-year disqualification.** (a) An individual is disqualified under section
294.6 245J.12 if: (1) less than ten years have passed since the discharge of the sentence imposed,
294.7 if any, for the offense; and (2) the individual has committed a gross misdemeanor-level
294.8 violation of any of the following offenses: sections 256.98 (wrongfully obtaining assistance);
294.9 268.182 (fraud); 393.07, subdivision 10, paragraph (c) (federal SNAP fraud); 609.2112,
294.10 609.2113, or 609.2114 (criminal vehicular homicide or injury); 609.221 or 609.222 (assault
294.11 in the first or second degree); 609.223 or 609.2231 (assault in the third or fourth degree);
294.12 609.224 (assault in the fifth degree); 609.224, subdivision 2, paragraph (c) (assault in the
294.13 fifth degree by a caregiver against a vulnerable adult); 609.2242 and 609.2243 (domestic
294.14 assault); 609.23 (mistreatment of persons confined); 609.231 (mistreatment of residents or
294.15 patients); 609.2325 (criminal abuse of a vulnerable adult); 609.233 (criminal neglect of a
294.16 vulnerable adult); 609.2335 (financial exploitation of a vulnerable adult); 609.234 (failure
294.17 to report maltreatment of a vulnerable adult); 609.265 (abduction); 609.275 (attempt to
294.18 coerce); 609.324, subdivision 1a (other prohibited acts; minor engaged in prostitution);
294.19 609.33 (disorderly house); 609.377 (malicious punishment of a child); 609.378 (neglect or
294.20 endangerment of a child); 609.466 (medical assistance fraud); 609.52 (theft); 609.525
294.21 (bringing stolen goods into Minnesota); 609.527 (identity theft); 609.53 (receiving stolen
294.22 property); 609.535 (issuance of dishonored checks); 609.582 (burglary); 609.59 (possession
294.23 of burglary tools); 609.611 (insurance fraud); 609.631 (check forgery; offering a forged
294.24 check); 609.66 (dangerous weapons); 609.71 (riot); 609.72, subdivision 3 (disorderly conduct
294.25 against a vulnerable adult); repeat offenses under 609.746 (interference with privacy);
294.26 609.749, subdivision 2 (harassment); 609.82 (fraud in obtaining credit); 609.821 (financial
294.27 transaction card fraud); 617.23 (indecent exposure), not involving a minor; 617.241 (obscene
294.28 materials and performances); 617.243 (indecent literature, distribution); 617.293 (harmful
294.29 materials; dissemination and display to minors prohibited); or Minnesota Statutes 2012,
294.30 section 609.21; or violation of an order for protection under section 518B.01, subdivision
294.31 14.

294.32 (b) An individual is disqualified under section 245J.12 if less than ten years has passed
294.33 since the individual's aiding and abetting, attempt, or conspiracy to commit any of the
294.34 offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes.

295.1 (c) An individual is disqualified under section 245J.12 if less than ten years has passed
295.2 since the discharge of the sentence imposed for an offense in any other state or country, the
295.3 elements of which are substantially similar to the elements of any of the offenses listed in
295.4 paragraph (a).

295.5 (d) If the individual studied commits one of the offenses listed in paragraph (a), but the
295.6 sentence or level of offense is a misdemeanor disposition, the individual is disqualified but
295.7 the disqualification lookback period for the offense is the period applicable to misdemeanors.

295.8 (e) When a disqualification is based on a judicial determination other than a conviction,
295.9 the disqualification period begins from the date of the court order. When a disqualification
295.10 is based on an admission, the disqualification period begins from the date of an admission
295.11 in court. When a disqualification is based on an Alford Plea, the disqualification period
295.12 begins from the date the Alford Plea is entered in court. When a disqualification is based
295.13 on a preponderance of evidence of a disqualifying act, the disqualification date begins from
295.14 the date of the dismissal, the date of discharge of the sentence imposed for a conviction for
295.15 a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

295.16 Subd. 4. **Seven-year disqualification.** (a) An individual is disqualified under section
295.17 245J.12 if: (1) less than seven years has passed since the discharge of the sentence imposed,
295.18 if any, for the offense; and (2) the individual has committed a misdemeanor-level violation
295.19 of any of the following offenses: sections 256.98 (wrongfully obtaining assistance); 268.182
295.20 (fraud); 393.07, subdivision 10, paragraph (c) (federal SNAP fraud); 609.2112, 609.2113,
295.21 or 609.2114 (criminal vehicular homicide or injury); 609.221 (assault in the first degree);
295.22 609.222 (assault in the second degree); 609.223 (assault in the third degree); 609.2231
295.23 (assault in the fourth degree); 609.224 (assault in the fifth degree); 609.2242 (domestic
295.24 assault); 609.2335 (financial exploitation of a vulnerable adult); 609.234 (failure to report
295.25 maltreatment of a vulnerable adult); 609.2672 (assault of an unborn child in the third degree);
295.26 609.27 (coercion); violation of an order for protection under 609.3232 (protective order
295.27 authorized; procedures; penalties); 609.466 (medical assistance fraud); 609.52 (theft);
295.28 609.525 (bringing stolen goods into Minnesota); 609.527 (identity theft); 609.53 (receiving
295.29 stolen property); 609.535 (issuance of dishonored checks); 609.611 (insurance fraud); 609.66
295.30 (dangerous weapons); 609.665 (spring guns); 609.746 (interference with privacy); 609.79
295.31 (obscene or harassing telephone calls); 609.795 (letter, telegram, or package; opening;
295.32 harassment); 609.82 (fraud in obtaining credit); 609.821 (financial transaction card fraud);
295.33 617.23 (indecent exposure), not involving a minor; 617.293 (harmful materials; dissemination
295.34 and display to minors prohibited); or Minnesota Statutes 2012, section 609.21; or violation
295.35 of an order for protection under section 518B.01 (Domestic Abuse Act).

296.1 (b) An individual is disqualified under section 245J.12 if less than seven years has passed
296.2 since a determination or disposition of the individual's:

296.3 (1) failure to make required reports under section 260E.06 or 626.557, subdivision 3,
296.4 for incidents in which: (i) the final disposition under section 626.557 or chapter 260E was
296.5 substantiated maltreatment, and (ii) the maltreatment was recurring or serious; or

296.6 (2) substantiated serious or recurring maltreatment of a minor under chapter 260E, a
296.7 vulnerable adult under section 626.557, or serious or recurring maltreatment in any other
296.8 state, the elements of which are substantially similar to the elements of maltreatment under
296.9 section 626.557 or chapter 260E for which: (i) there is a preponderance of evidence that
296.10 the maltreatment occurred, and (ii) the subject was responsible for the maltreatment.

296.11 (c) An individual is disqualified under section 245J.12 if less than seven years has passed
296.12 since the individual's aiding and abetting, attempt, or conspiracy to commit any of the
296.13 offenses listed in paragraphs (a) and (b), as each of these offenses is defined in Minnesota
296.14 Statutes.

296.15 (d) An individual is disqualified under section 245J.12 if less than seven years has passed
296.16 since the discharge of the sentence imposed for an offense in any other state or country, the
296.17 elements of which are substantially similar to the elements of any of the offenses listed in
296.18 paragraphs (a) and (b).

296.19 (e) When a disqualification is based on a judicial determination other than a conviction,
296.20 the disqualification period begins from the date of the court order. When a disqualification
296.21 is based on an admission, the disqualification period begins from the date of an admission
296.22 in court. When a disqualification is based on an Alford Plea, the disqualification period
296.23 begins from the date the Alford Plea is entered in court. When a disqualification is based
296.24 on a preponderance of evidence of a disqualifying act, the disqualification date begins from
296.25 the date of the dismissal, the date of discharge of the sentence imposed for a conviction for
296.26 a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

296.27 (f) An individual is disqualified under section 245J.12 if less than seven years has passed
296.28 since the individual was disqualified under section 256.98, subdivision 8.

296.29 **Sec. 45. [245J.14] DISQUALIFIED INDIVIDUAL'S RISK OF HARM.**

296.30 **Subdivision 1. Determining immediate risk of harm.** (a) If the commissioner determines
296.31 that the individual studied has a disqualifying characteristic, the commissioner shall review
296.32 the information immediately available and make a determination as to the subject's immediate

297.1 risk of harm to persons served by the program where the individual studied will have direct
297.2 contact with, or access to, people receiving services.

297.3 (b) The commissioner shall consider all relevant information available, including the
297.4 following factors in determining the immediate risk of harm:

297.5 (1) the recency of the disqualifying characteristic;

297.6 (2) the recency of discharge from probation for the crimes;

297.7 (3) the number of disqualifying characteristics;

297.8 (4) the intrusiveness or violence of the disqualifying characteristic;

297.9 (5) the vulnerability of the victim involved in the disqualifying characteristic;

297.10 (6) the similarity of the victim to the persons served by the program where the individual
297.11 studied will have direct contact;

297.12 (7) whether the individual has a disqualification from a previous background study that
297.13 has not been set aside;

297.14 (8) if the individual has a disqualification which may not be set aside because it is a
297.15 permanent bar under section 245J.22, the commissioner may order the immediate removal
297.16 of the individual from any position allowing direct contact with, or access to, persons
297.17 receiving services from the entity; and

297.18 (c) If the commissioner has reason to believe, based on arrest information or an active
297.19 maltreatment investigation, that an individual poses an imminent risk of harm to persons
297.20 receiving services, the commissioner may order that the person be continuously supervised
297.21 or immediately removed pending the conclusion of the maltreatment investigation or criminal
297.22 proceedings.

297.23 Subd. 2. Findings. (a) After evaluating the information immediately available under
297.24 subdivision 1, the commissioner may have reason to believe one of the following:

297.25 (1) the individual poses an imminent risk of harm to persons served by the program
297.26 where the individual studied will have direct contact or access to persons served by the
297.27 entity or where the individual studied will work;

297.28 (2) the individual poses a risk of harm requiring continuous, direct supervision while
297.29 providing direct contact services during the period in which the subject may request a
297.30 reconsideration; or

298.1 (3) the individual does not pose an imminent risk of harm or a risk of harm requiring
298.2 continuous, direct supervision while providing direct contact services during the period in
298.3 which the subject may request a reconsideration.

298.4 (b) After determining an individual's risk of harm under this section, the commissioner
298.5 must notify the subject of the background study and the applicant or license holder as
298.6 required under section 245J.15.

298.7 **Sec. 46. [245J.15] NOTICE OF BACKGROUND STUDY RESULTS.**

298.8 Subdivision 1. Time frame for notice of study results and auditing system access. (a)
298.9 Within three working days after the commissioner's receipt of a request for a background
298.10 study submitted through the commissioner's NETStudy 2.0 system, the commissioner shall
298.11 notify the background study subject and the entity that submitted the study in writing or by
298.12 electronic transmission of the results of the study or that more time is needed to complete
298.13 the study. The notice to the individual shall include the identity of the entity that initiated
298.14 the background study.

298.15 (b) Before being provided access to NETStudy 2.0, the entity shall sign an
298.16 acknowledgment of responsibilities form developed by the commissioner that includes
298.17 identifying the sensitive background study information person, who must be an employee
298.18 of the entity. All queries to NETStudy 2.0 are electronically recorded and subject to audit
298.19 by the commissioner. The electronic record shall identify the specific user. A background
298.20 study subject may request in writing to the commissioner a report listing the entities that
298.21 initiated a background study on the individual.

298.22 (c) When the commissioner has completed a prior background study on an individual
298.23 that resulted in an order for immediate removal and more time is necessary to complete a
298.24 subsequent study, the notice that more time is needed that is issued under paragraph (a)
298.25 shall include an order for immediate removal of the individual from any position allowing
298.26 direct contact with or access to people receiving services.

298.27 Subd. 2. Disqualification notice sent to subject. If the information in the study indicates
298.28 the individual is disqualified from direct contact with, or from access to, persons served by
298.29 the program, the commissioner shall disclose to the individual studied:

298.30 (1) the information causing disqualification;

298.31 (2) instructions on how to request a reconsideration of the disqualification;

298.32 (3) an explanation of any restrictions on the commissioner's discretion to set aside the
298.33 disqualification under section 245J.22, when applicable to the individual; and

299.1 (4) a statement that when a subsequent background study is initiated on the individual
299.2 following a set-aside of the individual's disqualification, and the commissioner makes a
299.3 determination under section 245J.20, subdivision 5, paragraph (b), that the previous set-aside
299.4 applies to the subsequent background study, the entity that initiated the background study
299.5 will be informed that the individual's disqualification is set aside for that entity.

299.6 Subd. 3. **Disqualification notification.** (a) The commissioner shall notify the entity that
299.7 submitted the study:

299.8 (1) that the commissioner has found information that disqualifies the individual studied
299.9 from being in a position allowing direct contact with, or access to, people served by the
299.10 entity; and

299.11 (2) the commissioner's determination of the individual's risk of harm under section
299.12 245J.14.

299.13 (b) If the commissioner determines under section 245J.14 that an individual studied
299.14 poses an imminent risk of harm to persons served by the entity where the individual studied
299.15 will have direct contact with, or access to, people served by the entity, the commissioner
299.16 shall order the license holder to immediately remove the individual studied from any position
299.17 allowing direct contact with, or access to, people served by the entity.

299.18 (c) If the commissioner determines under section 245J.14 that an individual studied
299.19 poses a risk of harm that requires continuous, direct supervision, the commissioner shall
299.20 order the entity to:

299.21 (1) immediately remove the individual studied from any position allowing direct contact
299.22 with, or access to, people receiving services; or

299.23 (2) before allowing the disqualified individual to be in a position allowing direct contact
299.24 with, or access to, people receiving services, the entity must:

299.25 (i) ensure that the individual studied is under continuous, direct supervision when in a
299.26 position allowing direct contact with, or access to, people receiving services during the
299.27 period in which the individual may request a reconsideration of the disqualification under
299.28 section 245J.19; and

299.29 (ii) ensure that the disqualified individual requests reconsideration within 30 days of
299.30 receipt of the notice of disqualification.

299.31 (d) If the commissioner determines under section 245J.14 that an individual studied does
299.32 not pose a risk of harm that requires continuous, direct supervision, the commissioner shall
299.33 order the entity to:

300.1 (1) immediately remove the individual studied from any position allowing direct contact
300.2 with, or access to, people receiving services; or

300.3 (2) before allowing the disqualified individual to be in any position allowing direct
300.4 contact with, or access to, people receiving services, the entity must ensure that the
300.5 disqualified individual requests reconsideration within 15 days of receipt of the notice of
300.6 disqualification.

300.7 (e) The commissioner shall not notify the entity of the information contained in the
300.8 subject's background study unless:

300.9 (1) the basis for the disqualification is failure to cooperate with the background study
300.10 or substantiated maltreatment under section 626.557 or chapter 260E;

300.11 (2) the Data Practices Act under chapter 13 provides for release of the information; or

300.12 (3) the individual studied provides the commissioner with written, informed consent
300.13 authorizing the release of the information.

300.14 **Sec. 47. [245J.16] OBLIGATION TO REMOVE DISQUALIFIED INDIVIDUAL**
300.15 **FROM DIRECT CONTACT OR ACCESS TO PEOPLE RECEIVING SERVICES.**

300.16 Upon receipt of notice from the commissioner, the entity must remove a disqualified
300.17 individual from direct contact with or access to persons served by the entity if:

300.18 (1) the individual does not request reconsideration under section 245J.19 within the
300.19 prescribed time;

300.20 (2) the individual submits a timely request for reconsideration, the commissioner does
300.21 not set aside the disqualification under section 245J.20, subdivision 4, and the individual
300.22 does not submit a timely request for a hearing under sections 245J.24 and 256.045, or
300.23 245J.25 and chapter 14; or

300.24 (3) the individual submits a timely request for a hearing under sections 245J.24 and
300.25 256.045, or 245J.25 and chapter 14, and the commissioner does not set aside or rescind the
300.26 disqualification under section 245A.08, subdivision 5, or 256.045.

300.27 **Sec. 48. [245J.17] TERMINATION OF AFFILIATION BASED ON**
300.28 **DISQUALIFICATION NOTICE.**

300.29 An applicant or license holder that terminates affiliation with persons studied under this
300.30 chapter, when the termination is made in good faith reliance on a notice of disqualification
300.31 provided by the commissioner, shall not be subject to civil liability.

301.1 Sec. 49. **[245J.18] ENTITY RECORD KEEPING.**

301.2 **Subdivision 1. Background studies initiated by entity.** The entity shall document the
301.3 date the entity initiates a background study under this chapter and the date the subject of
301.4 the study first has direct contact with persons served by the entity in the entity's personnel
301.5 files. When a background study is completed under this chapter, an entity shall maintain a
301.6 notice that the study was undertaken and completed in the entity's personnel files.

301.7 **Subd. 2. Background studies initiated by others; personnel pool agencies, temporary**
301.8 **personnel agencies, supplemental nursing services agencies, or professional services**
301.9 **agencies.** When a license holder relies on a background study initiated by a personnel pool
301.10 agency, a temporary personnel agency, a supplemental nursing services agency, or a
301.11 professional services agency for a person required to have a background study completed
301.12 under this chapter, the entity must maintain a copy of the background study results in the
301.13 entity's files.

301.14 **Subd. 3. Background studies initiated by others; educational programs.** When an
301.15 entity relies on a background study initiated by an educational program for a person required
301.16 to have a background study completed under this chapter and the person is on the educational
301.17 program's active roster, the entity is responsible for ensuring that the background study has
301.18 been completed. The entity may satisfy the documentation requirements through a written
301.19 agreement with the educational program verifying that documentation of the background
301.20 study may be provided upon request and that the educational program will inform the entity
301.21 if there is a change in the person's background study status. The entity remains responsible
301.22 for ensuring that all background study requirements are met.

301.23 **Subd. 4. Background studies identified on active rosters.** The requirements in
301.24 subdivisions 1 and 2 are met for entities for which active rosters are implemented and for
301.25 whom all individuals affiliated with the entity are recorded on the active roster.

301.26 Sec. 50. **[245J.19] REQUESTING RECONSIDERATION OF DISQUALIFICATION.**

301.27 **Subdivision 1. Who may request reconsideration.** An individual who is the subject of
301.28 a disqualification may request a reconsideration of the disqualification pursuant to this
301.29 section. The individual must submit the request for reconsideration to the commissioner in
301.30 writing.

301.31 **Subd. 2. Submission of reconsideration request.** A reconsideration request shall be
301.32 submitted within 30 days of the individual's receipt of the disqualification notice or the time
301.33 frames specified in subdivision 3, whichever time frame is shorter.

302.1 Subd. 3. Time frame for requesting reconsideration. (a) When the commissioner
302.2 sends an individual a notice of disqualification based on a finding under section 245J.14,
302.3 subdivision 2, paragraph (a), clause (1) or (2), the disqualified individual must submit the
302.4 request for a reconsideration within 30 calendar days of the individual's receipt of the notice
302.5 of disqualification. If mailed, the request for reconsideration must be postmarked and sent
302.6 to the commissioner within 30 calendar days of the individual's receipt of the notice of
302.7 disqualification. If a request for reconsideration is made by personal service, it must be
302.8 received by the commissioner within 30 calendar days after the individual's receipt of the
302.9 notice of disqualification. Upon showing that the information under subdivision 3 cannot
302.10 be obtained within 30 days, the disqualified individual may request additional time, not to
302.11 exceed 30 days, to obtain the information.

302.12 (b) When the commissioner sends an individual a notice of disqualification based on a
302.13 finding under section 245J.14, subdivision 2, paragraph (a), clause (3), the disqualified
302.14 individual must submit the request for reconsideration within 15 calendar days of the
302.15 individual's receipt of the notice of disqualification. If mailed, the request for reconsideration
302.16 must be postmarked and sent to the commissioner within 15 calendar days of the individual's
302.17 receipt of the notice of disqualification. If a request for reconsideration is made by personal
302.18 service, it must be received by the commissioner within 15 calendar days after the individual's
302.19 receipt of the notice of disqualification.

302.20 (c) An individual who was determined to have maltreated a child under chapter 260E
302.21 or a vulnerable adult under section 626.557, and who is disqualified on the basis of serious
302.22 or recurring maltreatment, may request a reconsideration of both the maltreatment and the
302.23 disqualification determinations. The request must be submitted within 30 calendar days of
302.24 the individual's receipt of the notice of disqualification. If mailed, the request for
302.25 reconsideration must be postmarked and sent to the commissioner within 30 calendar days
302.26 of the individual's receipt of the notice of disqualification. If a request for reconsideration
302.27 is made by personal service, it must be received by the commissioner within 30 calendar
302.28 days after the individual's receipt of the notice of disqualification.

302.29 (d) Reconsideration of a maltreatment determination under sections 260E.33 and 626.557,
302.30 subdivision 9d, and reconsideration of a disqualification under section 245J.20, shall not
302.31 be conducted when:

302.32 (1) a denial of a license under section 245A.05, or a licensing sanction under section
302.33 245A.07, is based on a determination that the license holder is responsible for maltreatment
302.34 or the disqualification of a license holder based on serious or recurring maltreatment;

303.1 (2) the denial of a license or licensing sanction is issued at the same time as the
303.2 maltreatment determination or disqualification; and

303.3 (3) the license holder appeals the maltreatment determination, disqualification, and
303.4 denial of a license or licensing sanction. In such cases, a fair hearing under section 256.045
303.5 must not be conducted under sections 245J.24, 260E.33, and 626.557, subdivision 9d. Under
303.6 section 245A.08, subdivision 2a, the scope of the consolidated contested case hearing must
303.7 include the maltreatment determination, disqualification, and denial of a license or licensing
303.8 sanction.

303.9 Notwithstanding clauses (1) to (3), if the license holder appeals the maltreatment
303.10 determination or disqualification, but does not appeal the denial of a license or a licensing
303.11 sanction, reconsideration of the maltreatment determination shall be conducted under sections
303.12 260E.33 and 626.557, subdivision 9d, and reconsideration of the disqualification shall be
303.13 conducted under section 245J.20. In such cases, a fair hearing shall also be conducted as
303.14 provided under sections 245J.24, 260E.33, and 626.557, subdivision 9d.

303.15 Subd. 4. **Disqualified individuals; information for reconsideration.** (a) The disqualified
303.16 individual requesting reconsideration must submit information showing that:

303.17 (1) the information the commissioner relied upon in determining the underlying conduct
303.18 that gave rise to the disqualification is incorrect;

303.19 (2) for maltreatment, the information the commissioner relied upon in determining that
303.20 maltreatment was serious or recurring is incorrect; or

303.21 (3) the subject of the study does not pose a risk of harm to any person served by the
303.22 entity as provided in this chapter, by addressing the information required under section
303.23 245J.20, subdivision 4.

303.24 (b) In order to determine the individual's risk of harm, the commissioner may require
303.25 additional information from the disqualified individual as part of the reconsideration process.
303.26 If the individual fails to provide the required information, the commissioner may deny the
303.27 individual's request.

303.28 Subd. 5. **Notice of request for reconsideration.** Upon request, the commissioner may
303.29 inform the entity as provided in this chapter who received a notice of the individual's
303.30 disqualification under section 245J.15, subdivision 3, or has the consent of the disqualified
303.31 individual, whether the disqualified individual has requested reconsideration.

304.1 **Sec. 51. [245J.20] REVIEW AND ACTION ON A RECONSIDERATION REQUEST.**

304.2 **Subdivision 1. Time frame; response to disqualification reconsideration requests. (a)**

304.3 The commissioner shall respond in writing or by electronic transmission to all reconsideration
304.4 requests for which the basis for the request is that the information the commissioner relied
304.5 upon to disqualify is incorrect or inaccurate within 30 working days of receipt of a complete
304.6 request and all required relevant information.

304.7 (b) If the basis for a disqualified individual's reconsideration request is that the individual
304.8 does not pose a risk of harm, the commissioner shall respond to the request within 15 working
304.9 days after receiving a complete request for reconsideration and all required relevant
304.10 information.

304.11 (c) If the disqualified individual's reconsideration request is based on both the correctness
304.12 or accuracy of the information the commissioner relied upon to disqualify the individual
304.13 and the individual's risk of harm, the commissioner shall respond to the request within 45
304.14 working days after receiving a complete request for reconsideration and all required relevant
304.15 information.

304.16 **Subd. 2. Incorrect information; rescission.** The commissioner shall rescind the
304.17 disqualification if the commissioner finds that the information relied upon to disqualify the
304.18 subject is incorrect.

304.19 **Subd. 3. Preeminent weight given to safety of persons being served.** In reviewing a
304.20 request for reconsideration of a disqualification, the commissioner shall give preeminent
304.21 weight to the safety of each person served by the entity as provided in this chapter over the
304.22 interests of the disqualified individual or entity as provided in this chapter, and any single
304.23 factor under subdivision 4, paragraph (b), may be determinative of the commissioner's
304.24 decision whether to set aside the individual's disqualification.

304.25 **Subd. 4. Risk of harm; set aside.** (a) The commissioner may set aside the disqualification
304.26 if the commissioner finds that the individual has submitted sufficient information to
304.27 demonstrate that the individual does not pose a risk of harm to any person served by the
304.28 entity as provided in this chapter.

304.29 (b) In determining whether the individual has met the burden of proof by demonstrating
304.30 the individual does not pose a risk of harm, the commissioner shall consider:

304.31 (1) the nature, severity, and consequences of the event or events that led to the
304.32 disqualification;

304.33 (2) whether there is more than one disqualifying event;

305.1 (3) the age and vulnerability of the victim at the time of the event;

305.2 (4) the harm suffered by the victim;

305.3 (5) vulnerability of persons served by the program;

305.4 (6) the similarity between the victim and persons served by the program;

305.5 (7) the time elapsed without a repeat of the same or similar event;

305.6 (8) documentation of successful completion by the individual studied of training or

305.7 rehabilitation pertinent to the event; and

305.8 (9) any other information relevant to reconsideration.

305.9 (c) If the individual requested reconsideration on the basis that the information relied

305.10 upon to disqualify the individual was incorrect or inaccurate and the commissioner determines

305.11 that the information relied upon to disqualify the individual is correct, the commissioner

305.12 must also determine if the individual poses a risk of harm to persons receiving services in

305.13 accordance with paragraph (b).

305.14 Subd. 5. **Scope of set-aside.** (a) If the commissioner sets aside a disqualification under

305.15 this section, the disqualified individual remains disqualified, but may hold a license and

305.16 have direct contact with or access to persons receiving services. Except as provided in

305.17 paragraph (b), the commissioner's set-aside of a disqualification is limited solely to the

305.18 licensed program, applicant, or agency specified in the set aside notice under section 245J.21.

305.19 For personal care provider organizations, the commissioner's set-aside may further be limited

305.20 to a specific individual who is receiving services. For new background studies required

305.21 under section 245J.04, subdivision 1, paragraph (c), if an individual's disqualification was

305.22 previously set aside for the license holder's program and the new background study results

305.23 in no new information that indicates the individual may pose a risk of harm to persons

305.24 receiving services from the license holder, the previous set-aside shall remain in effect.

305.25 (b) If the commissioner has previously set aside an individual's disqualification for one

305.26 or more entities, and the individual is the subject of a subsequent background study for a

305.27 different entity, the commissioner shall determine whether the disqualification is set aside

305.28 for the entity that initiated the subsequent background study. A notice of a set-aside under

305.29 paragraph (c) shall be issued within 15 working days if all of the following criteria are met:

305.30 (1) the subsequent background study was initiated in connection with an entity licensed

305.31 or regulated under the same provisions of law and rule for at least one entity for which the

305.32 individual's disqualification was previously set aside by the commissioner;

306.1 (2) the individual is not disqualified for an offense specified in section 245J.13,
306.2 subdivision 1 or 2;

306.3 (3) the commissioner has received no new information to indicate that the individual
306.4 may pose a risk of harm to any person served by the program; and

306.5 (4) the previous set-aside was not limited to a specific person receiving services.

306.6 (c) When a disqualification is set aside under paragraph (b), the notice of background
306.7 study results issued under section 245J.15, in addition to the requirements under section
306.8 245J.15, shall state that the disqualification is set aside for the program or agency that
306.9 initiated the subsequent background study. The notice must inform the individual that the
306.10 individual may request reconsideration of the disqualification under section 245J.19 on the
306.11 basis that the information used to disqualify the individual is incorrect.

306.12 Subd. 6. **Rescission of set-aside.** The commissioner may rescind a previous set aside
306.13 of a disqualification under this section based on new information that indicates the individual
306.14 may pose a risk of harm to persons served by the applicant, license holder, or other entities
306.15 as provided in this chapter. If the commissioner rescinds a set-aside of a disqualification
306.16 under this subdivision, the appeal rights under sections 245J.19; 245J.24, subdivision 1;
306.17 and 245J.25, subdivision 3, shall apply.

306.18 **Sec. 52. [245J.21] COMMISSIONER'S RECONSIDERATION NOTICE.**

306.19 Subdivision 1. **Disqualification that is rescinded or set aside.** (a) If the commissioner
306.20 rescinds or sets aside a disqualification, the commissioner shall notify the entity in writing
306.21 or by electronic transmission of the decision.

306.22 (b) In the notice from the commissioner that a disqualification has been rescinded, the
306.23 commissioner must inform the entity that the information relied upon to disqualify the
306.24 individual was incorrect.

306.25 Subd. 2. **Commissioner's notice of disqualification that is not set aside.** (a) The
306.26 commissioner shall notify the entity of the disqualification and order the entity to immediately
306.27 remove the individual from any position allowing direct contact with persons receiving
306.28 services from the entity if:

306.29 (1) the individual studied does not submit a timely request for reconsideration under
306.30 section 245J.19;

307.1 (2) the individual submits a timely request for reconsideration, but the commissioner
 307.2 does not set aside the disqualification for that entity under section 245J.20, unless the
 307.3 individual has a right to request a hearing under section 245J.24, 245J.25, or 256.045;

307.4 (3) an individual who has a right to request a hearing under sections 245J.24 and 256.045,
 307.5 or 245J.25 and chapter 14 for a disqualification that has not been set aside, does not request
 307.6 a hearing within the specified time; or

307.7 (4) an individual submitted a timely request for a hearing under sections 245J.24 and
 307.8 256.045, or 245J.25 and chapter 14, but the commissioner does not set aside the
 307.9 disqualification under section 245A.08, subdivision 5, or 256.045.

307.10 (b) If the commissioner does not set aside the disqualification under section 245J.20,
 307.11 and the entity was previously ordered under section 245J.15 to immediately remove the
 307.12 disqualified individual from direct contact with persons receiving services or to ensure that
 307.13 the individual is under continuous, direct supervision when providing direct contact services,
 307.14 the order remains in effect pending the outcome of a hearing under sections 245J.24 and
 307.15 256.045, or 245J.25 and chapter 14.

307.16 (c) If the commissioner does not set aside the disqualification under section 245J.20,
 307.17 and the entity was not previously ordered under section 245J.15 to immediately remove the
 307.18 disqualified individual from direct contact with persons receiving services or to ensure that
 307.19 the individual is under continuous direct supervision when providing direct contact services,
 307.20 the commissioner shall order the individual to remain under continuous direct supervision
 307.21 pending the outcome of a hearing under sections 245J.24 and 256.045, or 245J.25 and
 307.22 chapter 14.

307.23 **Sec. 53. [245J.22] DISQUALIFICATION; BAR TO SET ASIDE A**
 307.24 **DISQUALIFICATION.**

307.25 The commissioner may not set aside the disqualification of any individual disqualified
 307.26 pursuant to this chapter, regardless of how much time has passed, if the individual was
 307.27 disqualified for a crime or conduct listed in section 245J.13, subdivision 1.

307.28 **Sec. 54. [245J.23] CONSOLIDATED RECONSIDERATION OF MALTREATMENT**
 307.29 **DETERMINATION AND DISQUALIFICATION.**

307.30 If an individual is disqualified on the basis of a determination of maltreatment under
 307.31 section 626.557 or chapter 260E, which was serious and recurring, and the individual requests
 307.32 reconsideration of the maltreatment determination under section 260E.33 or 626.557,

308.1 subdivision 9d, and also requests reconsideration of the disqualification under section
308.2 245J.19, the commissioner shall consolidate the reconsideration of the maltreatment
308.3 determination and the disqualification into a single reconsideration.

308.4 **Sec. 55. [245J.24] FAIR HEARING RIGHTS.**

308.5 Subdivision 1. **Fair hearing following a reconsideration decision.** (a) An individual
308.6 who is disqualified on the basis of a preponderance of evidence that the individual committed
308.7 an act or acts that meet the definition of any of the crimes listed in section 245J.13; for a
308.8 determination under section 626.557 or chapter 260E of substantiated maltreatment that
308.9 was serious or recurring under section 245J.13; or for failure to make required reports under
308.10 section 260E.06, subdivision 1 or 2; 260E.11, subdivision 1; or 626.557, subdivision 3,
308.11 pursuant to section 245J.13, subdivision 4, paragraph (b), clause (1), may request a fair
308.12 hearing under section 256.045, following a reconsideration decision issued under section
308.13 245J.21, unless the disqualification is deemed conclusive under section 245J.26.

308.14 (b) The fair hearing is the only administrative appeal of the final agency determination
308.15 for purposes of appeal by the disqualified individual. The disqualified individual does not
308.16 have the right to challenge the accuracy and completeness of data under section 13.04.

308.17 (c) Except as provided under paragraph (e), if the individual was disqualified based on
308.18 a conviction of, admission to, or Alford Plea to any crimes or conduct listed in section
308.19 245J.13, subdivisions 1 to 4, or for a disqualification under section 256.98, subdivision 8,
308.20 the reconsideration decision under section 245J.20 is the final agency determination for
308.21 purposes of appeal by the disqualified individual and is not subject to a hearing under section
308.22 256.045. If the individual was disqualified based on a judicial determination, that
308.23 determination is treated the same as a conviction for purposes of appeal.

308.24 (d) This subdivision does not apply to a public employee's appeal of a disqualification
308.25 under section 245J.25, subdivision 3.

308.26 (e) Notwithstanding paragraph (c), if the commissioner does not set aside a
308.27 disqualification of an individual who was disqualified based on both a preponderance of
308.28 evidence and a conviction or admission, the individual may request a fair hearing under
308.29 section 256.045, unless the disqualifications are deemed conclusive under section 245J.26.
308.30 The scope of the hearing conducted under section 256.045 with regard to the disqualification
308.31 based on a conviction or admission shall be limited solely to whether the individual poses
308.32 a risk of harm, according to section 256.045, subdivision 3b. In this case, the reconsideration
308.33 decision under section 245J.20 is not the final agency decision for purposes of appeal by
308.34 the disqualified individual.

309.1 Subd. 2. Consolidated fair hearing following a reconsideration decision. (a) If an
309.2 individual who is disqualified on the bases of serious or recurring maltreatment requests a
309.3 fair hearing on the maltreatment determination under section 260E.33 or 626.557, subdivision
309.4 9d, and requests a fair hearing under this section on the disqualification following a
309.5 reconsideration decision under section 245J.21, the scope of the fair hearing under section
309.6 256.045 shall include the maltreatment determination and the disqualification.

309.7 (b) A fair hearing is the only administrative appeal of the final agency determination.
309.8 The disqualified individual does not have the right to challenge the accuracy and
309.9 completeness of data under section 13.04.

309.10 (c) This subdivision does not apply to a public employee's appeal of a disqualification
309.11 under section 245J.25, subdivision 3.

309.12 **Sec. 56. [245J.25] CONTESTED CASE HEARING RIGHTS.**

309.13 Subdivision 1. License holder. (a) If a maltreatment determination or a disqualification
309.14 for which reconsideration was timely requested and which was not set aside is the basis for
309.15 a denial of a license under section 245A.05 or a licensing sanction under section 245A.07,
309.16 the license holder has the right to a contested case hearing under chapter 14 and Minnesota
309.17 Rules, parts 1400.8505 to 1400.8612. The license holder must submit the appeal under
309.18 section 245A.05 or 245A.07, subdivision 3.

309.19 (b) As provided under section 245A.08, subdivision 2a, if the denial of a license or
309.20 licensing sanction is based on a disqualification for which reconsideration was timely
309.21 requested and was not set aside, the scope of the consolidated contested case hearing must
309.22 include:

309.23 (1) the disqualification, to the extent the license holder otherwise has a hearing right on
309.24 the disqualification under this chapter; and

309.25 (2) the licensing sanction or denial of a license.

309.26 (c) As provided for under section 245A.08, subdivision 2a, if the denial of a license or
309.27 licensing sanction is based on a determination of maltreatment under section 626.557 or
309.28 chapter 260E, or a disqualification for serious or recurring maltreatment which was not set
309.29 aside, the scope of the contested case hearing must include:

309.30 (1) the maltreatment determination, if the maltreatment is not conclusive under section
309.31 245J.26;

310.1 (2) the disqualification, if the disqualification is not conclusive under section 245J.26;
310.2 and

310.3 (3) the licensing sanction or denial of a license. In such cases, a fair hearing must not
310.4 be conducted under section 256.045. If the disqualification was based on a determination
310.5 of substantiated serious or recurring maltreatment under section 626.557 or chapter 260E,
310.6 the appeal must be submitted under section 245A.07, subdivision 3, 260E.33, or 626.557,
310.7 subdivision 9d.

310.8 (d) Except for family child care and child foster care, reconsideration of a maltreatment
310.9 determination under sections 260E.33 and 626.557, subdivision 9d, and reconsideration of
310.10 a disqualification under section 245J.20, must not be conducted when:

310.11 (1) a denial of a license under section 245A.05, or a licensing sanction under section
310.12 245A.07, is based on a determination that the license holder is responsible for maltreatment
310.13 or the disqualification of a license holder based on serious or recurring maltreatment;

310.14 (2) the denial of a license or licensing sanction is issued at the same time as the
310.15 maltreatment determination or disqualification; and

310.16 (3) the license holder appeals the maltreatment determination, disqualification, and
310.17 denial of a license or licensing sanction. In such cases a fair hearing under section 256.045
310.18 must not be conducted under sections 245J.24, 260E.33, and 626.557, subdivision 9d. Under
310.19 section 245A.08, subdivision 2a, the scope of the consolidated contested case hearing must
310.20 include the maltreatment determination, disqualification, and denial of a license or licensing
310.21 sanction.

310.22 Notwithstanding clauses (1) to (3), if the license holder appeals the maltreatment
310.23 determination or disqualification, but does not appeal the denial of a license or a licensing
310.24 sanction, reconsideration of the maltreatment determination shall be conducted under sections
310.25 260E.33 and 626.557, subdivision 9d, and reconsideration of the disqualification shall be
310.26 conducted under section 245J.20. In such cases, a fair hearing shall also be conducted as
310.27 provided under sections 245J.24, 260E.33, and 626.557, subdivision 9d.

310.28 Subd. 2. **Individual other than license holder.** If the basis for the commissioner's denial
310.29 of a license under section 245A.05 or a licensing sanction under section 245A.07 is a
310.30 maltreatment determination or disqualification that was not set aside under section 245J.20,
310.31 and the disqualified subject is an individual other than the license holder and upon whom
310.32 a background study must be conducted under this chapter, the hearing of all parties may be
310.33 consolidated into a single contested case hearing upon consent of all parties and the
310.34 administrative law judge.

311.1 Subd. 3. **Employees of public employer.** (a) A disqualified individual who is an
311.2 employee of an employer, as defined in section 179A.03, subdivision 15, may request a
311.3 contested case hearing under chapter 14, and specifically Minnesota Rules, parts 1400.8505
311.4 to 1400.8612, following a reconsideration decision under section 245J.21, unless the
311.5 disqualification is deemed conclusive under section 245J.26. The request for a contested
311.6 case hearing must be made in writing and must be postmarked and sent within 30 calendar
311.7 days after the employee receives notice of the reconsideration decision. If the individual
311.8 was disqualified based on a conviction or admission to any crimes listed in section 245J.13,
311.9 the scope of the contested case hearing shall be limited solely to whether the individual
311.10 poses a risk of harm pursuant to section 245J.20.

311.11 (b) When an individual is disqualified based on a maltreatment determination, the scope
311.12 of the contested case hearing under paragraph (a), must include the maltreatment
311.13 determination and the disqualification. In such cases, a fair hearing must not be conducted
311.14 under section 256.045.

311.15 (c) Rules adopted under this chapter may not preclude an employee in a contested case
311.16 hearing for a disqualification from submitting evidence concerning information gathered
311.17 under this chapter.

311.18 (d) When an individual has been disqualified from multiple licensed programs, if at least
311.19 one of the disqualifications entitles the person to a contested case hearing under this
311.20 subdivision, the scope of the contested case hearing shall include all disqualifications from
311.21 licensed programs.

311.22 (e) In determining whether the disqualification should be set aside, the administrative
311.23 law judge shall consider all of the characteristics that cause the individual to be disqualified,
311.24 as well as all the factors set forth in section 245J.20, in order to determine whether the
311.25 individual has met the burden of demonstrating that the individual does not pose a risk of
311.26 harm. The administrative law judge's recommendation and the commissioner's order to set
311.27 aside a disqualification that is the subject of the hearing constitutes a determination that the
311.28 individual does not pose a risk of harm and that the individual may provide direct contact
311.29 services in the individual program specified in the set aside.

311.30 (f) An individual may not request a contested case hearing under this section if a contested
311.31 case hearing has previously been held regarding the individual's disqualification on the same
311.32 basis.

311.33 Subd. 4. **Final agency order.** The commissioner's final order under section 245A.08,
311.34 subdivision 5, is conclusive on the issue of maltreatment and disqualification, including for

312.1 purposes of subsequent background studies. The contested case hearing under this section
312.2 is the only administrative appeal of the final agency determination, specifically, including
312.3 a challenge to the accuracy and completeness of data under section 13.04.

312.4 **Sec. 57. [245J.26] CONCLUSIVE DETERMINATIONS OR DISPOSITIONS.**

312.5 **Subdivision 1. Conclusive maltreatment determination or disposition.** Unless
312.6 otherwise specified in statute, a maltreatment determination or disposition under section
312.7 626.557 or chapter 260E is conclusive, if:

312.8 (1) the commissioner has issued a final order in an appeal of that determination or
312.9 disposition under section 245A.08, subdivision 5, or 256.045;

312.10 (2) the individual did not request reconsideration of the maltreatment determination or
312.11 disposition under section 626.557 or chapter 260E; or

312.12 (3) the individual did not request a hearing of the maltreatment determination or
312.13 disposition under section 256.045.

312.14 **Subd. 2. Conclusive disqualification determination.** (a) A disqualification is conclusive
312.15 for purposes of current and future background studies if:

312.16 (1) the commissioner has issued a final order in an appeal of the disqualification under
312.17 section 245A.08, subdivision 5; 245J.25, subdivision 3; or 256.045, or a court has issued a
312.18 final decision;

312.19 (2) the individual did not request reconsideration of the disqualification under section
312.20 245J.19 on the basis that the information relied upon to disqualify the individual was
312.21 incorrect; or

312.22 (3) the individual did not timely request a hearing on the disqualification under this
312.23 chapter, chapter 14, or section 256.045 after previously being given the right to do so.

312.24 (b) If a disqualification is conclusive under this section, the individual has a right to
312.25 request reconsideration on the risk of harm under section 245J.19 unless the commissioner
312.26 is barred from setting aside the disqualification under section 245J.22. The commissioner's
312.27 decision regarding the risk of harm shall be the final agency decision and is not subject to
312.28 a hearing under this chapter, chapter 14, or section 256.045.

312.29 **Sec. 58. [245J.27] VARIANCE FOR A DISQUALIFIED INDIVIDUAL.**

312.30 **Subdivision 1. Entity variance.** (a) Except for any disqualification under section 245J.11,
312.31 subdivision 1, when the commissioner has not set aside a background study subject's

313.1 disqualification, and there are conditions under which the disqualified individual may provide
313.2 direct contact services or have access to people receiving services that minimize the risk of
313.3 harm to people receiving services, the commissioner may grant a time-limited variance to
313.4 an entity.

313.5 (b) The variance shall state the services that may be provided by the disqualified
313.6 individual and state the conditions with which the entity must comply for the variance to
313.7 remain in effect. The variance shall not state the reason for the disqualification.

313.8 Subd. 2. **Consequences for failing to comply with conditions of variance.** When an
313.9 entity permits a disqualified individual to provide any services for which the subject is
313.10 disqualified without complying with the conditions of the variance, the commissioner may
313.11 terminate the variance effective immediately and subject the entity or license holder to a
313.12 licensing action under sections 245A.06 and 245A.07.

313.13 Subd. 3. **Termination of a variance.** The commissioner may terminate a variance for
313.14 a disqualified individual at any time for cause.

313.15 Subd. 4. **Final decision.** The commissioner's decision to grant or deny a variance is final
313.16 and not subject to appeal under the provisions of chapter 14.

313.17 Sec. 59. **[245J.28] INDIVIDUAL REGULATED BY A HEALTH-RELATED**
313.18 **LICENSING BOARD; DISQUALIFICATION BASED ON MALTREATMENT.**

313.19 (a) The commissioner has the authority to monitor the facility's compliance with any
313.20 requirements that the health-related licensing board places on regulated individuals practicing
313.21 in a facility either during the period pending a final decision on a disciplinary or corrective
313.22 action or as a result of a disciplinary or corrective action. The commissioner has the authority
313.23 to order the immediate removal of a regulated individual from direct contact or access when
313.24 a board issues an order of temporary suspension based on a determination that the regulated
313.25 individual poses an immediate risk of harm to persons receiving services in a licensed
313.26 facility.

313.27 (b) A facility that allows a regulated individual to provide direct contact services while
313.28 not complying with the requirements imposed by the health-related licensing board is subject
313.29 to action by the commissioner as specified under sections 245A.06 and 245A.07.

313.30 (c) The commissioner shall notify a health-related licensing board immediately upon
313.31 receipt of knowledge of a facility's or individual's noncompliance with requirements the
313.32 board placed on a facility or upon an individual regulated by the board.

314.1 **Sec. 60. [245J.29] SYSTEMS AND RECORDS.**

314.2 **Subdivision 1. Establishment.** The commissioner may establish systems and records
314.3 to fulfill the requirements of this chapter.

314.4 **Subd. 2. NETStudy 2.0 system.** (a) The NETStudy 2.0 system developed and
314.5 implemented by the commissioner shall incorporate and meet all applicable data security
314.6 standards and policies required by the Federal Bureau of Investigation (FBI), Department
314.7 of Public Safety, Bureau of Criminal Apprehension, and Department of Information
314.8 Technology Services. The system shall meet all required standards for encryption of data
314.9 at the database level as well as encryption of data that travels electronically among agencies
314.10 initiating background studies, the commissioner's authorized fingerprint collection vendor
314.11 or vendors, the commissioner, the Bureau of Criminal Apprehension, and in cases involving
314.12 national criminal record checks, the FBI.

314.13 (b) The data system developed and implemented by the commissioner shall incorporate
314.14 a system of data security that allows the commissioner to control access to the data field
314.15 level by the commissioner's employees. The commissioner shall establish that employees
314.16 have access to the minimum amount of private data on any individual as is necessary to
314.17 perform their duties under this chapter.

314.18 (c) The commissioner shall oversee regular quality and compliance audits of the
314.19 authorized fingerprint collection vendor or vendors.

314.20 **Subd. 3. Use.** The commissioner may also use these systems and records to obtain and
314.21 provide criminal history data from the Bureau of Criminal Apprehension, criminal history
314.22 data held by the commissioner, and data about substantiated maltreatment under section
314.23 626.557 or chapter 260E, for other purposes, provided that the background study is
314.24 specifically authorized in statute.

314.25 **Subd. 4. National records search.** (a) When specifically required by statute, the
314.26 commissioner shall also obtain criminal history data from the National Criminal Records
314.27 Repository.

314.28 (b) To obtain criminal history data from the National Criminal Records Repository, the
314.29 commissioner shall require classifiable fingerprints of the data subject and must submit
314.30 these fingerprint requests through the Bureau of Criminal Apprehension.

314.31 (c) The commissioner may require the background study subject to submit fingerprint
314.32 images electronically. The commissioner may not require electronic fingerprint images until
314.33 the electronic recording and transfer system is available for noncriminal justice purposes

315.1 and the necessary equipment is in use in the law enforcement agency in the background
 315.2 study subject's local community.

315.3 (d) The commissioner may recover the cost of obtaining and providing criminal history
 315.4 data from the National Criminal Records Repository by charging the individual or entity
 315.5 requesting the study a fee of no more than \$30 per study. The fees collected under this
 315.6 subdivision are appropriated to the commissioner for the purpose of obtaining criminal
 315.7 history data from the National Criminal Records Repository.

315.8 Sec. 61. **REPEALER.**

315.9 (a) Minnesota Statutes 2022, sections 245C.02, subdivision 14b; 245C.032; and 245C.30,
 315.10 subdivision 1a, are repealed.

315.11 (b) Minnesota Statutes 2022, section 245C.11, subdivision 3, is repealed.

315.12 **EFFECTIVE DATE.** Paragraph (b) is effective April 28, 2025.

315.13 **ARTICLE 8**

315.14 **LICENSING**

315.15 Section 1. Minnesota Statutes 2022, section 245.095, is amended to read:

315.16 **245.095 LIMITS ON RECEIVING PUBLIC FUNDS.**

315.17 Subdivision 1. **Prohibition.** (a) If a provider, vendor, or individual enrolled, licensed,
 315.18 receiving funds under a grant contract, or registered in any program administered by the
 315.19 commissioner, including under the commissioner's powers and authorities in section 256.01,
 315.20 is excluded from that program, the commissioner shall:

315.21 (1) prohibit the excluded provider, vendor, or individual from enrolling, becoming
 315.22 licensed, receiving grant funds, or registering in any other program administered by the
 315.23 commissioner; and

315.24 (2) disenroll, revoke or suspend a license, disqualify, or debar the excluded provider,
 315.25 vendor, or individual in any other program administered by the commissioner.

315.26 (b) If a provider, vendor, or individual enrolled, licensed, receiving funds under a grant
 315.27 contract, or registered in any program administered by the commissioner, including under
 315.28 the commissioner's powers and authorities in section 256.01, is excluded from that program,
 315.29 the commissioner may:

316.1 (1) prohibit any associated entities or associated individuals from enrolling, becoming
 316.2 licensed, receiving grant funds, or registering in any other program administered by the
 316.3 commissioner; and

316.4 (2) disenroll, revoke or suspend a license of, disqualify, or debar any associated entities
 316.5 or associated individuals in any other program administered by the commissioner.

316.6 (c) If a provider, vendor, or individual enrolled, licensed, or otherwise receiving funds
 316.7 under any contract or registered in any program administered by a Minnesota state or federal
 316.8 agency is excluded from that program, the commissioner of human services may:

316.9 (1) prohibit the excluded provider, vendor, individual, or any associated entities or
 316.10 associated individuals from enrolling, becoming licensed, receiving grant funds, or registering
 316.11 in any program administered by the commissioner; and

316.12 (2) disenroll, revoke or suspend a license of, disqualify, or debar the excluded provider,
 316.13 vendor, individual, or any associated entities or associated individuals in any program
 316.14 administered by the commissioner.

316.15 ~~(b)~~ (d) The duration of this a prohibition, disenrollment, revocation, suspension,
 316.16 disqualification, or debarment under paragraph (a) must last for the longest applicable
 316.17 sanction or disqualifying period in effect for the provider, vendor, or individual permitted
 316.18 by state or federal law. The duration of a prohibition, disenrollment, revocation, suspension,
 316.19 disqualification, or debarment under paragraphs (b) and (c) may last until up to the longest
 316.20 applicable sanction or disqualifying period in effect for the provider, vendor, individual,
 316.21 associated entity, or associated individual as permitted by state or federal law.

316.22 Subd. 2. **Definitions.** (a) For purposes of this section, the following definitions have the
 316.23 meanings given them.

316.24 (b) "Associated entity" means a provider or vendor owned or controlled by an excluded
 316.25 individual.

316.26 (c) "Associated individual" means an individual who owns or is an executive officer or
 316.27 board member of an excluded provider or vendor.

316.28 ~~(b)~~ (d) "Excluded" means disenrolled, disqualified, having a license that has been revoked
 316.29 or suspended under chapter 245A, or debarred or suspended under Minnesota Rules, part
 316.30 1230.1150, or excluded pursuant to section 256B.064, subdivision 3 removed under other
 316.31 authorities from a program administered by a Minnesota state or federal agency, including
 316.32 a final determination to stop payments.

317.1 ~~(e)~~ (e) "Individual" means a natural person providing products or services as a provider
317.2 or vendor.

317.3 ~~(d)~~ (f) "Provider" ~~includes any entity or individual receiving payment from a program~~
317.4 ~~administered by the Department of Human Services, and an owner, controlling individual,~~
317.5 ~~license holder, director, or managerial official of an entity receiving payment from a program~~
317.6 ~~administered by the Department of Human Services~~ means any entity, individual, owner,
317.7 controlling individual, license holder, director, or managerial official of an entity receiving
317.8 payment from a program administered by a Minnesota state or federal agency.

317.9 Subd. 3. **Notice.** Within five days of taking an action under subdivision (1), paragraph
317.10 (a), (b), or (c), against a provider, vendor, individual, associated individual, or associated
317.11 entity, the commissioner must send notice of the action to the provider, vendor, individual,
317.12 associated individual, or associated entity. The notice must state:

317.13 (1) the basis for the action;

317.14 (2) the effective date of the action;

317.15 (3) the right to appeal the action; and

317.16 (4) the requirements and procedures for reinstatement.

317.17 Subd. 4. **Appeal.** Upon receipt of a notice under subdivision 3, a provider, vendor,
317.18 individual, associated individual, or associated entity may request a contested case hearing,
317.19 as defined in section 14.02, subdivision 3, by filing with the commissioner a written request
317.20 of appeal. The scope of any contested case hearing is solely limited to action taken under
317.21 this section. The commissioner must receive the appeal request no later than 30 days after
317.22 the date the notice was mailed to the provider, vendor, individual, associated individual, or
317.23 associated entity. The appeal request must specify:

317.24 (1) each disputed item and the reason for the dispute;

317.25 (2) the authority in statute or rule upon which the provider, vendor, individual, associated
317.26 individual, or associated entity relies for each disputed item;

317.27 (3) the name and address of the person or entity with whom contacts may be made
317.28 regarding the appeal; and

317.29 (4) any other information required by the commissioner.

317.30 Subd. 5. **Withholding of payments.** (a) Except as otherwise provided by state or federal
317.31 law, the commissioner may withhold payments to a provider, vendor, individual, associated
317.32 individual, or associated entity in any program administered by the commissioner, if the

318.1 commissioner determines there is a credible allegation of fraud for which an investigation
318.2 is pending for a program administered by a Minnesota state or federal agency.

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

318.5 (1) fraud hotline complaints;

318.6 (2) claims data mining;

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

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

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

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

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

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

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

318.21 (d) The commissioner shall stop withholding payments if the commissioner determines
318.22 there is insufficient evidence of fraud by the provider, vendor, individual, associated
318.23 individual, or associated entity or when legal proceedings relating to the alleged fraud are
318.24 completed, unless the commissioner has sent notice under subdivision 3 to the provider,
318.25 vendor, individual, associated individual, or associated entity.

318.26 (e) The withholding of payments is a temporary action and is not subject to appeal under
318.27 section 256.045 or chapter 14.

318.28 **Sec. 2. [245.7351] PURPOSE AND ESTABLISHMENT.**

318.29 The certified community behavioral health clinic model is an integrated payment and
318.30 service delivery model that uses evidence-based behavioral health practices to achieve better

319.1 outcomes for individuals experiencing behavioral health concerns while achieving sustainable
319.2 rates for providers and economic efficiencies for payors.

319.3 **EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval,
319.4 whichever is later. The commissioner of human services shall notify the revisor of statutes
319.5 when federal approval is obtained.

319.6 Sec. 3. **[245.7352] DEFINITIONS.**

319.7 Subdivision 1. **Scope.** The definitions in this section apply to sections 245.7351 to
319.8 245.7357.

319.9 Subd. 2. **Care coordination.** "Care coordination" means the activities required to
319.10 coordinate care across settings and providers for the people served to ensure seamless
319.11 transitions across the full spectrum of health services. Care coordination includes: outreach
319.12 and engagement; documenting a plan of care for medical, behavioral health, and social
319.13 services and supports in the integrated treatment plan; assisting with obtaining appointments;
319.14 confirming appointments are kept; developing a crisis plan; tracking medication; and
319.15 implementing care coordination agreements with external providers. Care coordination may
319.16 include psychiatric consultation to primary care practitioners and mental health clinical care
319.17 consultation.

319.18 Subd. 3. **Certified community behavioral health clinic or CCBHC.** "Certified
319.19 community behavioral health clinic" or "CCBHC" means a program or provider governed
319.20 under sections 245.7351 to 245.7357.

319.21 Subd. 4. **Clinical responsibility.** "Clinical responsibility" means ensuring a designated
319.22 collaborating organization meets all clinical parameters required of the CCBHC.

319.23 Subd. 5. **Commissioner.** "Commissioner" means the commissioner of human services.

319.24 Subd. 6. **Comprehensive evaluation.** "Comprehensive evaluation" means a
319.25 person-centered, family-centered, trauma-informed evaluation completed for the purposes
319.26 of diagnosis, treatment planning, and determination of client eligibility for services approved
319.27 by a mental health professional.

319.28 Subd. 7. **Designated collaborating organization.** "Designated collaborating
319.29 organization" means an entity with a formal agreement with a CCBHC to furnish CCBHC
319.30 services.

319.31 Subd. 8. **Designated collaborating organization agreement.** "Designated collaborating
319.32 organization agreement" means a purchase of services agreement between a CCBHC and

320.1 a designated collaborating organization as evidenced by a contract, memorandum of
320.2 agreement, memorandum of understanding, or other such formal arrangement that describes
320.3 specific CCBHC services to be purchased and provided by a designated collaborating
320.4 organization on behalf of a CCBHC in accordance with federal and state requirements.

320.5 Subd. 9. **Functional assessment.** "Functional assessment" means the assessment of a
320.6 client's current level of functioning relative to functioning that is appropriate for someone
320.7 the client's age.

320.8 Subd. 10. **Financial responsibility.** "Financial responsibility" means the responsibility
320.9 for billing CCBHC services rendered under contract by a designated collaborating
320.10 organization.

320.11 Subd. 11. **Initial evaluation.** "Initial evaluation" means an evaluation that is designed
320.12 to gather and document initial components of the comprehensive evaluation, allowing the
320.13 assessor to formulate a preliminary diagnosis and the client to begin services.

320.14 Subd. 12. **Initial evaluation equivalents.** "Initial evaluation equivalents" means using
320.15 a process that is approved by the commissioner as an alternative to the initial evaluation.

320.16 Subd. 13. **Integrated treatment plan.** "Integrated treatment plan" means a documented
320.17 plan of care that is person-centered and family-centered, and that is formulated to respond
320.18 to a client's needs and goals. The integrated treatment plan must integrate prevention, medical
320.19 needs, and behavioral health needs and service delivery. The CCBHC must develop the
320.20 integrated treatment plan in collaboration with and receive endorsement from the client, the
320.21 adult client's family to the extent the client wishes, and a child or youth client's family or
320.22 caregivers, and coordinate with staff or programs necessary to effectuate the plan.

320.23 Subd. 14. **Outpatient withdrawal management.** "Outpatient withdrawal management"
320.24 means a time-limited service delivered in an office setting, an outpatient behavioral health
320.25 clinic, or a person's home by staff providing medically supervised evaluation and
320.26 detoxification services to achieve safe and comfortable withdrawal from substances and
320.27 facilitate transition into ongoing treatment and recovery. Outpatient withdrawal management
320.28 services include assessment, withdrawal management, planning, medication prescribing
320.29 and management, trained observation of withdrawal symptoms, and supportive services.

320.30 Subd. 15. **Preliminary screening and risk assessment.** "Preliminary screening and risk
320.31 assessment" means a screening and risk assessment that is completed at the first contact
320.32 with the prospective CCBHC service recipient and determines the acuity of recipient need.

321.1 Subd. 16. **Preliminary treatment plan.** "Preliminary treatment plan" means an initial
321.2 plan of care that is written as a part of all initial evaluations, initial evaluation equivalents,
321.3 or comprehensive evaluations.

321.4 Subd. 17. **Needs assessment.** "Needs assessment" means a systematic approach to
321.5 identifying community needs and determining program capacity to address the needs of the
321.6 population being served.

321.7 Subd. 18. **State-sanctioned crisis services.** "State-sanctioned crisis services" means
321.8 adult and children's crisis response services conducted by an entity enrolled to provide crisis
321.9 services under section 256B.0624.

321.10 **EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval,
321.11 whichever is later. The commissioner of human services shall notify the revisor of statutes
321.12 when federal approval is obtained.

321.13 Sec. 4. **[245.7353] APPLICABILITY.**

321.14 Subdivision 1. **Certification process.** (a) The commissioner must establish a state
321.15 certification or recertification process for certified community behavioral health clinics that
321.16 satisfy all federal and state requirements necessary for CCBHCs certified under sections
321.17 245.7351 to 245.7357 to be eligible for reimbursement under medical assistance, without
321.18 service area limits based on geographic area or region. The commissioner must consult with
321.19 CCBHC stakeholders before establishing and implementing changes in the certification or
321.20 recertification process and requirements.

321.21 (b) The commissioner shall recertify a CCBHC provider entity every 36 months using
321.22 the provider entity's certification anniversary or the calendar year end. The commissioner
321.23 may approve a recertification extension in the interest of sustaining services when a certain
321.24 date for recertification is identified.

321.25 (c) The commissioner shall establish a process for decertification of a CCBHC provider
321.26 entity and shall require corrective action, medical assistance repayment, or decertification
321.27 of a provider entity that no longer meets the requirements in sections 245.7351 to 245.7357
321.28 or that fails to meet the clinical quality standards or administrative standards provided by
321.29 the commissioner in the application and certification processes.

321.30 (d) The commissioner shall provide the following to CCBHC provider entities for the
321.31 certification, recertification, and decertification processes:

321.32 (1) a structured listing of required provider entity certification criteria;

322.1 (2) a formal written letter with a determination of certification, recertification, or
322.2 decertification, signed by the commissioner or the appropriate division director; and

322.3 (3) a formal written communication outlining the process for necessary corrective action
322.4 and follow-up by the commissioner, if applicable, signed by the commissioner or the
322.5 appropriate division director.

322.6 Subd. 2. **Certifications and licensures required.** In addition to all other requirements
322.7 contained in sections 245.7351 to 245.7357, a CCBHC must:

322.8 (1) comply with the standards issued by the commissioner relating to CCBHC screenings,
322.9 assessments, and evaluations;

322.10 (1) be certified as a mental health clinic under section 245I.20;

322.11 (2) be licensed to provide substance use disorder treatment under chapter 245G;

322.12 (3) be certified to provide children's therapeutic services and supports under section
322.13 256B.0943;

322.14 (4) be certified to provide adult rehabilitative mental health services under section
322.15 256B.0623;

322.16 (5) be enrolled to provide mental health crisis response services under section 256B.0624;

322.17 (6) be enrolled to provide mental health targeted case management under section
322.18 256B.0625, subdivision 20;

322.19 (7) comply with standards relating to mental health case management in Minnesota
322.20 Rules, parts 9520.0900 to 9520.0926;

322.21 (8) comply with standards relating to peer services under sections 256B.0615, 256B.0616,
322.22 and 245G.07, subdivision 2, clause (8), as applicable when peer services are provided; and

322.23 (10) directly employ or through a formal arrangement utilize a medically trained
322.24 behavioral health care provider with independent authority under state law to prescribe and
322.25 manage medications, including buprenorphine and other medications used to treat opioid
322.26 and alcohol use disorders.

322.27 Subd. 3. **Variance authority.** When the standards listed in sections 245.7351 to 245.7357
322.28 or other applicable standards conflict or address similar issues in duplicative or incompatible
322.29 ways, the commissioner may grant variances to state requirements if the variances do not
322.30 conflict with federal requirements for services reimbursed under medical assistance. If
322.31 standards overlap, the commissioner may substitute all or a part of a licensure or certification
322.32 that is substantially the same as another licensure or certification. The commissioner must

323.1 consult with stakeholders as described in subdivision 1 before granting variances under this
 323.2 subdivision. For the CCBHC that is certified but not approved for prospective payment
 323.3 under section 256B.0625, subdivision 5m, the commissioner may grant a variance under
 323.4 this paragraph if the variance does not increase the state share of costs.

323.5 Subd. 4. **Notice and opportunity for correction.** If the commissioner finds that a
 323.6 prospective or certified CCBHC has failed to comply with an applicable law or rule and
 323.7 this failure does not imminently endanger health, safety, or rights of the persons served by
 323.8 the program, the commissioner may issue a notice ordering a correction. The notice ordering
 323.9 a correction must state the following in plain language:

323.10 (1) the conditions that constitute a violation of the law or rule;

323.11 (2) the specific law or rule violated; and

323.12 (3) the time allowed to correct each violation.

323.13 Subd. 5. **County letter of support.** A clinic that meets certification requirements for a
 323.14 CCBHC under sections 245.7351 to 245.7357 is not subject to any state law or rule that
 323.15 requires a county contract or other form of county approval as a condition for licensure or
 323.16 enrollment as a medical assistance provider. The commissioner must require evidence from
 323.17 the CCBHC that it has an ongoing relationship with the county or counties it serves to
 323.18 facilitate access and continuity of care, especially for individuals who are uninsured or who
 323.19 may go on and off medical assistance.

323.20 Subd. 6. **Decertification, denial of certification, or recertification request.** (a) The
 323.21 commissioner must establish a process for decertification and must require corrective action,
 323.22 medical assistance repayment, or decertification of a CCBHC that no longer meets the
 323.23 requirements in this section.

323.24 (b) The commissioner must provide the following to providers for the certification,
 323.25 recertification, and decertification process:

323.26 (1) a structured listing of required provider certification criteria;

323.27 (2) a formal written letter with a determination of certification, recertification, or
 323.28 decertification, signed by the commissioner or the appropriate division director; and

323.29 (3) a formal written communication outlining the process for necessary corrective action
 323.30 and follow-up by the commissioner if applicable.

324.1 **EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval,
324.2 whichever is later. The commissioner of human services shall notify the revisor of statutes
324.3 when federal approval is obtained.

324.4 Sec. 5. **[245.7354] MINIMUM STAFFING STANDARDS.**

324.5 (a) A CCBHC must meet minimum staffing requirements as identified in the certification
324.6 process.

324.7 (b) A CCBHC must employ or contract for clinic staff who have backgrounds in diverse
324.8 disciplines, including licensed mental health professionals, licensed alcohol and drug
324.9 counselors, staff who are culturally and linguistically trained to meet the needs of the
324.10 population the clinic serves, and staff who are trained to make accommodations to meet the
324.11 needs of clients with disabilities.

324.12 **EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval,
324.13 whichever is later. The commissioner of human services shall notify the revisor of statutes
324.14 when federal approval is obtained.

324.15 Sec. 6. **[245.7355] REQUIRED SERVICES.**

324.16 Subdivision 1. **Generally.** CCBHCs must provide nine core services identified in
324.17 subdivisions 2 and 3.

324.18 Subd. 2. **Required services to be provided directly.** Unless otherwise specified in
324.19 sections 245.7351 to 245.7357 and approved by the commissioner, a CCBHC must directly
324.20 provide the following:

324.21 (1) ambulatory withdrawal management services ASAM level 1.0;

324.22 (2) treatment planning;

324.23 (3) screening, assessment, diagnosis, and risk assessment;

324.24 (4) outpatient mental health treatment; and

324.25 (5) substance use disorder treatment services for both adult and adolescent populations.

324.26 Subd. 3. **Direct or contracted required services.** A CCBHC must provide the following
324.27 services directly or via formal relationships with designated collaborating organizations:

324.28 (1) targeted case management;

324.29 (2) outpatient primary care screening and monitoring;

324.30 (3) community-based mental health care for veterans;

325.1 (4) peer, family support, and counselor services;

325.2 (5) psychiatric rehabilitation services; and

325.3 (6) crisis services conducted by a state-sanctioned provider.

325.4 Subd. 4. **Care coordination required.** A CCBHC must directly provide coordination
325.5 of care across settings and providers to ensure seamless transitions for individuals being
325.6 served across the full spectrum of health services, including acute, chronic, and behavioral
325.7 needs.

325.8 Subd. 5. **Outreach and engagement required.** A CCBHC must provide outreach and
325.9 engagement services to the community, including promoting accessibility and culturally
325.10 and linguistically competent care, educating prospective CCBHC recipients about available
325.11 services, and connecting prospective CCBHC recipients with needed services.

325.12 Subd. 6. **Initial evaluation; required elements.** (a) An initial evaluation must be
325.13 completed by a mental health professional or clinical trainee and must contain all data
325.14 elements listed in the commissioner's public clinical guidance.

325.15 (b) The timing of initial evaluation administration must be determined based on results
325.16 of the preliminary screening and risk assessment. If a client is assessed to be experiencing
325.17 a crisis-level behavioral health need, care must follow the timelines established in the
325.18 CCBHC certification criteria published by the Substance Abuse and Mental Health Services
325.19 Administration and the commissioner's published clinical guidance.

325.20 (c) Initial evaluation equivalents, as defined by the commissioner, may be completed to
325.21 satisfy the requirement for the initial evaluation under this subdivision.

325.22 (d) The initial evaluation must include the following components:

325.23 (e) For programs governed by sections 245.7351 to 245.7357, the CCBHC initial
325.24 evaluation requirements in this subdivision satisfy the requirements for:

325.25 (1) a brief diagnostic assessment under section 245I.10, subdivision 5;

325.26 (2) an individual family assessment summary under section 245.4881, subdivisions 3
325.27 and 4;

325.28 (3) an individual assessment summary under section 245.4711, subdivisions 3 and 4;

325.29 (4) a diagnostic assessment under Minnesota Rules, part 9520.0909, subpart 1;

325.30 (5) a local agency determination based on a diagnostic assessment under Minnesota
325.31 Rules, part 9520.0910, subpart 1;

326.1 (6) an individual family community support plan and an individual community support
326.2 plan under Minnesota Rules, part 9520.0914, subpart 2, items A and B;

326.3 (7) an individual family community support plan under Minnesota Rules, part 9520.0918,
326.4 subparts 1 and 2; and

326.5 (8) an individual community support plan under Minnesota Rules, part 9520.0919,
326.6 subparts 1 and 2.

326.7 Subd. 7. **Comprehensive evaluation; required elements.** (a) All new CCBHC clients
326.8 must receive a comprehensive person-centered and family-centered diagnostic and treatment
326.9 planning evaluation to be completed within 60 calendar days following the preliminary
326.10 screening and risk assessment.

326.11 (b) The comprehensive evaluation must be completed by a mental health professional
326.12 or clinical trainee and must contain all data elements listed in the commissioner's public
326.13 clinical guidance.

326.14 (c) When a CCBHC client is engaged in substance use disorder services provided by
326.15 the CCBHC, the comprehensive evaluation must also be approved by an alcohol and drug
326.16 counselor.

326.17 (d) A CCBHC comprehensive evaluation completed according to the standards in
326.18 subdivision 7 replaces the requirements for a comprehensive assessment in chapter 245G,
326.19 if the comprehensive evaluation includes a diagnosis of a substance use disorder or a finding
326.20 that the client does not meet the criteria for a substance use disorder.

326.21 (e) A comprehensive evaluation must be updated at least annually for all adult clients
326.22 who continue to engage in behavioral health services, and:

326.23 (1) when the client's presentation does not appear to align with the current diagnostic
326.24 formulation; or

326.25 (2) when the client or mental health professional suspect the emergence of a new
326.26 diagnosis.

326.27 (f) A comprehensive evaluation update must contain the following components:

326.28 (1) a written update detailing all significant new or changed mental health symptoms,
326.29 as well as a description of how the new or changed symptoms are impacting functioning;

326.30 (2) any diagnostic formulation updates, including rationale for new diagnoses as needed;
326.31 and

326.32 (3) a rationale for removal of any existing diagnoses, as needed.

327.1 (g) When completing a comprehensive evaluation of a client who is five years of age
327.2 or younger, the assessor must use the current edition of the DC: 0-5 Diagnostic Classification
327.3 of Mental Health and Development Disorders of Infancy and Early Childhood published
327.4 by Zero to Three. The comprehensive evaluation of children age five years and younger:

327.5 (1) must include an initial session without the client present and may include treatment
327.6 to the parents or guardians along with inquiring about the child;

327.7 (2) may consist of three to five separate encounters;

327.8 (3) must incorporate the level of care assessment;

327.9 (4) must be completed prior to recommending additional CCBHC services; and

327.10 (5) must not contain scoring of the American Society of Addiction Medicine six
327.11 dimensions.

327.12 (h) For programs governed by sections 245.7351 to 245.7357, the CCBHC comprehensive
327.13 evaluation requirements in this subdivision satisfy the requirements for:

327.14 (1) a diagnostic assessment or crisis assessment under section 245I.10, subdivision 2,
327.15 paragraph (a);

327.16 (2) a diagnostic assessment under section 245I.10, subdivisions 4 to 6;

327.17 (3) an initial services plan under section 245G.04, subdivision 1;

327.18 (4) a diagnostic assessment under section 245.4711, subdivision 2;

327.19 (5) a diagnostic assessment under section 245.4881, subdivision 2;

327.20 (6) a diagnostic assessment under Minnesota Rules, part 9520.0910, subpart 1;

327.21 (7) a diagnostic assessment under Minnesota Rules, part 9520.0909, subpart 1; and

327.22 (8) an individual family community support plan and an individual community support
327.23 plan under Minnesota Rules, part 9520.0914, subpart 2, items A and B.

327.24 Subd. 8. **Integrated treatment plan; required elements.** (a) An integrated treatment
327.25 plan must be approved by a mental health professional as defined in section 245I.04,
327.26 subdivision 2.

327.27 (b) An integrated treatment plan must be completed within 60 calendar days following
327.28 the completion of the preliminary screening and risk assessment.

328.1 (c) An integrated treatment plan must use a person- and family-centered planning process
328.2 that includes the client, any family or client-identified natural supports, CCBHC service
328.3 providers, and care coordination staff.

328.4 (d) An integrated treatment plan must be updated at least every six months or earlier
328.5 based on changes in the client's circumstances.

328.6 (e) When a client is engaged in substance use disorder services at a CCBHC, the
328.7 integrated treatment plan must also be approved by an alcohol and drug counselor as defined
328.8 in section 245G.11, subdivision 5.

328.9 (f) The treatment plan must integrate prevention, medical and behavioral health needs,
328.10 and service delivery and must be developed by the CCBHC in collaboration with and
328.11 endorsed by the client, the adult client's family to the extent the client wishes, or family or
328.12 caregivers of youth and children. The treatment plan must also be coordinated with staff or
328.13 programs necessary to carry out the plan.

328.14 (g) The CCBHC integrated treatment plan requirements in this subdivision replaces the
328.15 requirements for:

328.16 (1) an individual treatment plan under section 245I.10, subdivisions 7 and 8;

328.17 (2) an individual treatment plan under section 245G.06, subdivision 1; and

328.18 (3) an individual treatment plan under section 245G.09, subdivision 3, clause (6).

328.19 (h) The CCBHC functional assessment requirements replace the requirements for:

328.20 (1) a functional assessment under section 256B.0623, subdivision 9;

328.21 (2) a functional assessment under section 245.4711, subdivision 3; and

328.22 (3) functional assessments under Minnesota Rules, part 9520.0914, subpart 2, items A
328.23 and B.

328.24 Subd. 9. **Licensing and certification requirements.** The requirements for initial
328.25 evaluations under subdivision 6, comprehensive evaluations under subdivision 7, and
328.26 integrated treatment plans under subdivision 8 are part of the licensing requirements for
328.27 substance use disorder treatment programs licensed according to chapter 245G and
328.28 certification requirements for mental health clinics certified according to section 245I.20 if
328.29 the program or clinic is part of a CCBHC. The Department of Human Services licensing
328.30 division will review, inspect, and investigate for compliance with the requirements in
328.31 subdivisions 6 to 8.

329.1 **Sec. 7. [245.7356] REQUIRED EVIDENCE-BASED SERVICES.**

329.2 **Subdivision 1. Generally. A CCBHC must use evidence-based practices in all services.**
329.3 **Treatments must be provided in a manner appropriate for each client's phase of life and**
329.4 **development, specifically considering what is appropriate for children, adolescents,**
329.5 **transition-age youth, and older adults, as distinct groups for whom life stage and functioning**
329.6 **may affect treatment. Specifically, when treating children and adolescents, a CCHBC must**
329.7 **provide evidence-based services that are developmentally appropriate, youth guided, and**
329.8 **family and caregiver driven. When treating older adults, an individual client's desires and**
329.9 **functioning must be considered, and appropriate evidence-based treatments must be provided.**
329.10 **When treating individuals with developmental or other cognitive disabilities, level of**
329.11 **functioning must be considered, and appropriate evidence-based treatments must be provided.**
329.12 **The treatments referenced in this subdivision must be delivered by staff with specific training**
329.13 **in treating the segment of the population being served.**

329.14 **Subd. 2. Required evidence-based practices. A CCBHC must use evidence-based**
329.15 **practices, including the use of cognitive behavioral therapy, motivational interviewing,**
329.16 **stages of change, and trauma treatment appropriate for populations being served.**

329.17 **Subd. 3. Issuance of and amendments to evidence-based practices requirements. The**
329.18 **commissioner must issue a list of required evidence-based practices to be delivered by**
329.19 **CCBHCs and may also provide a list of recommended evidence-based practices. The**
329.20 **commissioner may update the list to reflect advances in outcomes research and medical**
329.21 **services for persons living with mental illnesses or substance use disorders. The commissioner**
329.22 **must take into consideration the adequacy of evidence to support the efficacy of the practice,**
329.23 **the quality of workforce available, and the current availability of the practice in the state.**
329.24 **At least 30 days before issuing the initial list and any revisions, the commissioner must**
329.25 **provide stakeholders with an opportunity to comment.**

329.26 **EFFECTIVE DATE. This section is effective July 1, 2023, or upon federal approval,**
329.27 **whichever is later. The commissioner of human services shall notify the revisor of statutes**
329.28 **when federal approval is obtained.**

329.29 **Sec. 8. [245.7357] DESIGNATED COLLABORATING ORGANIZATION.**

329.30 **Subdivision 1. Generally. A CCBHC must directly provide a core set of services listed**
329.31 **in section 245.7355, subdivision 2, and may directly provide or contract for the remainder**
329.32 **of the services listed in section 245.7355, subdivision 3, with a designated collaborating**
329.33 **organization as defined in section 245.7351, subdivision 10, that has the required authority**

330.1 to provide that service and that meets the criteria as a designated collaborating organization
330.2 under subdivision 2.

330.3 Subd. 2. **Designated collaborating organization requirements.** (a) A CCBHC providing
330.4 CCBHC services via a designated collaborating organization agreement must:

330.5 (1) have a formal agreement, as defined in section 245.7351, subdivision 11, with the
330.6 designated collaborating organization to furnish one or more of the allowable services listed
330.7 under section 245.7355, subdivision 3;

330.8 (2) ensure that CCBHC services provided by a designated collaborating organization
330.9 must be provided in accordance with CCBHC service standards and provider requirements;

330.10 (3) maintain responsibility for coordinating care and clinical and financial responsibility
330.11 for the services provided by a designated collaborating organization;

330.12 (4) as applicable and necessary, ensure that a contracted designated collaborating
330.13 organization participates in CCBHC care coordination activities, including utilizing health
330.14 information technology to facilitate coordination and care transfers across organizations
330.15 and arranging access to data necessary for quality and financial operations and reporting;

330.16 (5) ensure beneficiaries receiving CCBHC services at the designated collaborating
330.17 organization have access to the CCBHC grievance process;

330.18 (6) submit all designated collaborating organization agreements for review and approval
330.19 by the commissioner prior to the designated collaborating organization furnishing CCBHC
330.20 services; and

330.21 (7) meet any additional requirements issued by the commissioner.

330.22 (b) Designated collaborating organization agreements must be submitted during the
330.23 certification process. Adding new designated collaborating organization relationships after
330.24 initial certification requires updates to the CCBHC certification. A CCBHC must update
330.25 designated collaborating organization information and the designated collaborating
330.26 organization agreement with the commissioner a minimum of 30 days prior to the execution
330.27 of a designated collaborating organization agreement. The commissioner must review and
330.28 approve or offer recommendations for designated collaborating organization agreement
330.29 modifications

330.30 (c) Designated collaborating organizations furnishing services under an agreement with
330.31 CCBHCs must meet all standards established in sections 245.7351 to 245.7357 for the
330.32 service the designated collaborating organization is providing. CCBHCs maintain

331.1 responsibility for care coordination and are clinically and financially responsible for CCBHC
331.2 services provided by a designated collaborating organization.

331.3 (d) Designated collaborating organization financial and payment processes must follow
331.4 those outlined in section 256B.0625, subdivision 5m, paragraph (c), clause (10).

331.5 Subd. 3. Designated collaborative organization agreements. Designated collaborative
331.6 organization agreements must include:

331.7 (1) the scope of CCBHC services to be furnished;

331.8 (2) the payment methodology and rates for purchased services;

331.9 (3) a requirement that the CCBHC maintains financial and clinical responsibility for
331.10 services provided by the designated collaborating organization;

331.11 (4) a requirement that the CCBHC retains responsibility for care coordination;

331.12 (5) a requirement that the designated collaborating organization must have the necessary
331.13 certifications, licenses, and enrollments to provide the services;

331.14 (6) a requirement that the staff providing CCBHC services within the designated
331.15 collaborating organization must have the proper licensure for the services provided;

331.16 (7) a requirement that the designated collaborating organization meets CCBHC cultural
331.17 competency and training requirements;

331.18 (8) a requirement that the designated collaborating organization must follow all federal,
331.19 state, and CCBHC requirements for confidentiality and data privacy;

331.20 (9) a requirement that the designated collaborating organization must follow the grievance
331.21 procedures of the CCBHC;

331.22 (10) a requirement that the designated collaborating organization must follow the CCBHC
331.23 requirements for person- and family-centered, recovery-oriented care, being respectful of
331.24 the individual person's needs, preferences, and values, and ensuring involvement by the
331.25 person being served and self-direction of services received. Services for children and youth
331.26 must be family-centered, youth-guided, and developmentally appropriate;

331.27 (11) a requirement that clients seeking services must have freedom of choice of providers;

331.28 (12) a requirement that the designated collaborating organization must be part of the
331.29 CCBHCs health information technology system directly or through data integration;

332.1 (13) a requirement that the designated collaborating organization must provide all clinical
 332.2 and financial data necessary to support CCBHC required service and billing operations;
 332.3 and

332.4 (14) a requirement that the CCBHC and the designated collaborating organization have
 332.5 safeguards in place to ensure that the designated collaborating organization does not receive
 332.6 a duplicate payment for services that are included in the CCBHC's daily bundled rate.

332.7 **EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval,
 332.8 whichever is later. The commissioner of human services shall notify the revisor of statutes
 332.9 when federal approval is obtained.

332.10 Sec. 9. Minnesota Statutes 2022, section 245A.02, subdivision 2c, is amended to read:

332.11 Subd. 2c. **Annual or annually; family child care training requirements.** For the
 332.12 purposes of sections 245A.50 to 245A.53, "annual" or "annually" means ~~the 12-month~~
 332.13 ~~period beginning on the license effective date or the annual anniversary of the effective date~~
 332.14 ~~and ending on the day prior to the annual anniversary of the license effective date~~ each
 332.15 calendar year.

332.16 Sec. 10. Minnesota Statutes 2022, section 245A.04, subdivision 1, is amended to read:

332.17 Subdivision 1. **Application for licensure.** (a) An individual, organization, or government
 332.18 entity that is subject to licensure under section 245A.03 must apply for a license. The
 332.19 application must be made on the forms and in the manner prescribed by the commissioner.
 332.20 The commissioner shall provide the applicant with instruction in completing the application
 332.21 and provide information about the rules and requirements of other state agencies that affect
 332.22 the applicant. An applicant seeking licensure in Minnesota with headquarters outside of
 332.23 Minnesota must have a program office located within 30 miles of the Minnesota border.
 332.24 An applicant who intends to buy or otherwise acquire a program or services licensed under
 332.25 this chapter that is owned by another license holder must apply for a license under this
 332.26 chapter and comply with the application procedures in this section and section 245A.03.

332.27 The commissioner shall act on the application within 90 working days after a complete
 332.28 application and any required reports have been received from other state agencies or
 332.29 departments, counties, municipalities, or other political subdivisions. The commissioner
 332.30 shall not consider an application to be complete until the commissioner receives all of the
 332.31 required information.

333.1 When the commissioner receives an application for initial licensure that is incomplete
333.2 because the applicant failed to submit required documents or that is substantially deficient
333.3 because the documents submitted do not meet licensing requirements, the commissioner
333.4 shall provide the applicant written notice that the application is incomplete or substantially
333.5 deficient. In the written notice to the applicant the commissioner shall identify documents
333.6 that are missing or deficient and give the applicant 45 days to resubmit a second application
333.7 that is substantially complete. An applicant's failure to submit a substantially complete
333.8 application after receiving notice from the commissioner is a basis for license denial under
333.9 section 245A.05.

333.10 (b) An application for licensure must identify all controlling individuals as defined in
333.11 section 245A.02, subdivision 5a, and must designate one individual to be the authorized
333.12 agent. The application must be signed by the authorized agent and must include the authorized
333.13 agent's first, middle, and last name; mailing address; and email address. By submitting an
333.14 application for licensure, the authorized agent consents to electronic communication with
333.15 the commissioner throughout the application process. The authorized agent must be
333.16 authorized to accept service on behalf of all of the controlling individuals. A government
333.17 entity that holds multiple licenses under this chapter may designate one authorized agent
333.18 for all licenses issued under this chapter or may designate a different authorized agent for
333.19 each license. Service on the authorized agent is service on all of the controlling individuals.
333.20 It is not a defense to any action arising under this chapter that service was not made on each
333.21 controlling individual. The designation of a controlling individual as the authorized agent
333.22 under this paragraph does not affect the legal responsibility of any other controlling individual
333.23 under this chapter.

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

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

333.33 (e) The commissioner may limit communication during the application process to the
333.34 authorized agent or the controlling individuals identified on the license application and for
333.35 whom a background study was initiated under chapter 245C. Upon implementation of the

334.1 provider licensing and reporting hub, applicants and license holders must use the hub in the
334.2 manner prescribed by the commissioner. The commissioner may require the applicant,
334.3 except for child foster care, to demonstrate competence in the applicable licensing
334.4 requirements by successfully completing a written examination. The commissioner may
334.5 develop a prescribed written examination format.

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

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

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

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

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

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

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

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

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

334.24 (3) the first, middle, and last name, and address for all individuals who will be controlling
334.25 individuals, including all officers, owners, and managerial officials as defined in section
334.26 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant
334.27 for each controlling individual;

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

334.29 (5) the documents that created the organization and that determine the organization's
334.30 internal governance and the relations among the persons that own the organization, have
334.31 an interest in the organization, or are members of the organization, in each case as provided
334.32 or authorized by the organization's governing statute, which may include a partnership

335.1 agreement, bylaws, articles of organization, organizational chart, and operating agreement,
335.2 or comparable documents as provided in the organization's governing statute; and

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

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

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

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

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

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

335.12 (i) At the time of application for licensure or renewal of a license under this chapter, the
335.13 applicant or license holder must acknowledge on the form provided by the commissioner
335.14 if the applicant or license holder elects to receive any public funding reimbursement from
335.15 the commissioner for services provided under the license that:

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

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

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

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

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

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

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

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

336.1 Sec. 11. Minnesota Statutes 2022, section 245A.04, subdivision 7a, is amended to read:

336.2 Subd. 7a. **Notification required.** (a) A license holder must notify the commissioner, in
336.3 a manner prescribed by the commissioner, and obtain the commissioner's approval before
336.4 making any change that would alter the license information listed under subdivision 7,
336.5 paragraph (a).

336.6 (b) A license holder must also notify the commissioner, in a manner prescribed by the
336.7 commissioner, before making any change:

336.8 (1) to the license holder's authorized agent as defined in section 245A.02, subdivision
336.9 3b;

336.10 (2) to the license holder's controlling individual as defined in section 245A.02, subdivision
336.11 5a;

336.12 (3) to the license holder information on file with the secretary of state;

336.13 (4) in the location of the program or service licensed under this chapter; and

336.14 (5) to the federal or state tax identification number associated with the license holder.

336.15 (c) When, for reasons beyond the license holder's control, a license holder cannot provide
336.16 the commissioner with prior notice of the changes in paragraph (b), clauses (1) to (3), the
336.17 license holder must notify the commissioner by the tenth business day after the change and
336.18 must provide any additional information requested by the commissioner.

336.19 (d) When a license holder notifies the commissioner of a change to the license holder
336.20 information on file with the secretary of state, the license holder must provide amended
336.21 articles of incorporation and other documentation of the change.

336.22 (e) Upon implementation of the provider licensing and reporting hub, license holders
336.23 must enter and update information in the hub in a manner prescribed by the commissioner.

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

336.25 Sec. 12. Minnesota Statutes 2022, section 245A.05, is amended to read:

336.26 **245A.05 DENIAL OF APPLICATION.**

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

336.28 (1) fails to submit a substantially complete application after receiving notice from the
336.29 commissioner under section 245A.04, subdivision 1;

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

337.1 (3) knowingly withholds relevant information from or gives false or misleading
337.2 information to the commissioner in connection with an application for a license or during
337.3 an investigation;

337.4 (4) has a disqualification that has not been set aside under section 245C.22 and no
337.5 variance has been granted;

337.6 (5) has an individual living in the household who received a background study under
337.7 section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that
337.8 has not been set aside under section 245C.22, and no variance has been granted;

337.9 (6) is associated with an individual who received a background study under section
337.10 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to
337.11 children or vulnerable adults, and who has a disqualification that has not been set aside
337.12 under section 245C.22, and no variance has been granted;

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

337.14 (8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision
337.15 6;

337.16 (9) has a history of noncompliance as a license holder or controlling individual with
337.17 applicable laws or rules, including but not limited to this chapter and chapters 119B and
337.18 245C;

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

337.20 (11) for a family foster setting, has nondisqualifying background study information, as
337.21 described in section 245C.05, subdivision 4, that reflects on the individual's ability to safely
337.22 provide care to foster children.

337.23 (b) An applicant whose application has been denied by the commissioner must be given
337.24 notice of the denial, which must state the reasons for the denial in plain language. Notice
337.25 must be given by certified mail ~~or~~, by personal service, or through the provider licensing
337.26 and reporting hub. The notice must state the reasons the application was denied and must
337.27 inform the applicant of the right to a contested case hearing under chapter 14 and Minnesota
337.28 Rules, parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the
337.29 commissioner in writing by certified mail ~~or~~, by personal service, or through the provider
337.30 licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the
337.31 commissioner within 20 calendar days after the applicant received the notice of denial. If
337.32 an appeal request is made by personal service, it must be received by the commissioner
337.33 within 20 calendar days after the applicant received the notice of denial. If the order is issued

338.1 through the provider hub, the appeal must be received by the commissioner within 20
338.2 calendar days from the date the commissioner issued the order through the hub. Section
338.3 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

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

338.5 Sec. 13. Minnesota Statutes 2022, section 245A.055, subdivision 2, is amended to read:

338.6 Subd. 2. **Reconsideration of closure.** If a license is closed, the commissioner must
338.7 notify the license holder of closure by certified mail ~~or~~, by personal service, or through the
338.8 provider licensing and reporting hub. If mailed, the notice of closure must be mailed to the
338.9 last known address of the license holder and must inform the license holder why the license
338.10 was closed and that the license holder has the right to request reconsideration of the closure.
338.11 If the license holder believes that the license was closed in error, the license holder may ask
338.12 the commissioner to reconsider the closure. The license holder's request for reconsideration
338.13 must be made in writing and must include documentation that the licensed program has
338.14 served a client in the previous 12 months. The request for reconsideration must be postmarked
338.15 and sent to the commissioner or submitted through the provider licensing and reporting hub
338.16 within 20 calendar days after the license holder receives the notice of closure. Upon
338.17 implementation of the provider licensing and reporting hub, the provider must use the hub
338.18 to request reconsideration. If the order is issued through the provider hub, the reconsideration
338.19 must be received by the commissioner within 20 calendar days from the date the
338.20 commissioner issued the order through the hub. A timely request for reconsideration stays
338.21 imposition of the license closure until the commissioner issues a decision on the request for
338.22 reconsideration.

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

338.24 Sec. 14. Minnesota Statutes 2022, section 245A.06, subdivision 1, is amended to read:

338.25 Subdivision 1. **Contents of correction orders and conditional licenses.** (a) If the
338.26 commissioner finds that the applicant or license holder has failed to comply with an
338.27 applicable law or rule and this failure does not imminently endanger the health, safety, or
338.28 rights of the persons served by the program, the commissioner may issue a correction order
338.29 and an order of conditional license to the applicant or license holder. When issuing a
338.30 conditional license, the commissioner shall consider the nature, chronicity, or severity of
338.31 the violation of law or rule and the effect of the violation on the health, safety, or rights of
338.32 persons served by the program. The correction order or conditional license must state the
338.33 following in plain language:

- 339.1 (1) the conditions that constitute a violation of the law or rule;
- 339.2 (2) the specific law or rule violated;
- 339.3 (3) the time allowed to correct each violation; and
- 339.4 (4) if a license is made conditional, the length and terms of the conditional license, and
- 339.5 the reasons for making the license conditional.

339.6 (b) Nothing in this section prohibits the commissioner from proposing a sanction as

339.7 specified in section 245A.07, prior to issuing a correction order or conditional license.

339.8 (c) The commissioner may issue a correction order and an order of conditional license

339.9 to the applicant or license holder through the provider licensing and reporting hub.

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

339.11 Sec. 15. Minnesota Statutes 2022, section 245A.06, subdivision 2, is amended to read:

339.12 **Subd. 2. Reconsideration of correction orders.** (a) If the applicant or license holder

339.13 believes that the contents of the commissioner's correction order are in error, the applicant

339.14 or license holder may ask the Department of Human Services to reconsider the parts of the

339.15 correction order that are alleged to be in error. The request for reconsideration must be made

339.16 in writing and must be postmarked and sent to the commissioner within 20 calendar days

339.17 after receipt of the correction order, or submitted in the provider licensing and reporting

339.18 hub within 20 calendar days from the date the commissioner issued the order through the

339.19 hub, by the applicant or license holder, and:

- 339.20 (1) specify the parts of the correction order that are alleged to be in error;
- 339.21 (2) explain why they are in error; and
- 339.22 (3) include documentation to support the allegation of error.

339.23 Upon implementation of the provider licensing and reporting hub, the provider must use

339.24 the hub to request reconsideration. A request for reconsideration does not stay any provisions

339.25 or requirements of the correction order. The commissioner's disposition of a request for

339.26 reconsideration is final and not subject to appeal under chapter 14.

339.27 (b) This paragraph applies only to licensed family child care providers. A licensed family

339.28 child care provider who requests reconsideration of a correction order under paragraph (a)

339.29 may also request, on a form and in the manner prescribed by the commissioner, that the

339.30 commissioner expedite the review if:

340.1 (1) the provider is challenging a violation and provides a description of how complying
340.2 with the corrective action for that violation would require the substantial expenditure of
340.3 funds or a significant change to their program; and

340.4 (2) describes what actions the provider will take in lieu of the corrective action ordered
340.5 to ensure the health and safety of children in care pending the commissioner's review of the
340.6 correction order.

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

340.8 Sec. 16. Minnesota Statutes 2022, section 245A.06, subdivision 4, is amended to read:

340.9 Subd. 4. **Notice of conditional license; reconsideration of conditional license.** (a) If
340.10 a license is made conditional, the license holder must be notified of the order by certified
340.11 mail ~~or~~, by personal service, or through the provider licensing and reporting hub. If mailed,
340.12 the notice must be mailed to the address shown on the application or the last known address
340.13 of the license holder. The notice must state the reasons the conditional license was ordered
340.14 and must inform the license holder of the right to request reconsideration of the conditional
340.15 license by the commissioner. The license holder may request reconsideration of the order
340.16 of conditional license by notifying the commissioner by certified mail ~~or~~, by personal service,
340.17 or through the provider licensing and reporting hub. The request must be made in writing.
340.18 If sent by certified mail, the request must be postmarked and sent to the commissioner within
340.19 ten calendar days after the license holder received the order. If a request is made by personal
340.20 service, it must be received by the commissioner within ten calendar days after the license
340.21 holder received the order. If the order is issued through the provider hub, the request must
340.22 be received by the commissioner within ten calendar days from the date the commissioner
340.23 issued the order through the hub. The license holder may submit with the request for
340.24 reconsideration written argument or evidence in support of the request for reconsideration.
340.25 A timely request for reconsideration shall stay imposition of the terms of the conditional
340.26 license until the commissioner issues a decision on the request for reconsideration. If the
340.27 commissioner issues a dual order of conditional license under this section and an order to
340.28 pay a fine under section 245A.07, subdivision 3, the license holder has a right to a contested
340.29 case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The
340.30 scope of the contested case hearing shall include the fine and the conditional license. In this
340.31 case, a reconsideration of the conditional license will not be conducted under this section.
340.32 If the license holder does not appeal the fine, the license holder does not have a right to a
340.33 contested case hearing and a reconsideration of the conditional license must be conducted
340.34 under this subdivision.

341.1 (b) The commissioner's disposition of a request for reconsideration is final and not
 341.2 subject to appeal under chapter 14.

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

341.4 Sec. 17. Minnesota Statutes 2022, section 245A.07, subdivision 3, is amended to read:

341.5 Subd. 3. **License suspension, revocation, or fine.** (a) The commissioner may suspend
 341.6 or revoke a license, or impose a fine if:

341.7 (1) a license holder fails to comply fully with applicable laws or rules including but not
 341.8 limited to the requirements of this chapter and chapter 245C;

341.9 (2) a license holder, a controlling individual, or an individual living in the household
 341.10 where the licensed services are provided or is otherwise subject to a background study has
 341.11 been disqualified and the disqualification was not set aside and no variance has been granted;

341.12 (3) a license holder knowingly withholds relevant information from or gives false or
 341.13 misleading information to the commissioner in connection with an application for a license,
 341.14 in connection with the background study status of an individual, during an investigation,
 341.15 or regarding compliance with applicable laws or rules;

341.16 (4) a license holder is excluded from any program administered by the commissioner
 341.17 under section 245.095; or

341.18 (5) revocation is required under section 245A.04, subdivision 7, paragraph (d).

341.19 A license holder who has had a license issued under this chapter suspended, revoked,
 341.20 or has been ordered to pay a fine must be given notice of the action by certified mail ~~or~~, by
 341.21 personal service, or through the provider licensing and reporting hub. If mailed, the notice
 341.22 must be mailed to the address shown on the application or the last known address of the
 341.23 license holder. The notice must state in plain language the reasons the license was suspended
 341.24 or revoked, or a fine was ordered.

341.25 (b) If the license was suspended or revoked, the notice must inform the license holder
 341.26 of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts
 341.27 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking
 341.28 a license. The appeal of an order suspending or revoking a license must be made in writing
 341.29 by certified mail or, by personal service, or through the provider licensing and reporting
 341.30 hub. If mailed, the appeal must be postmarked and sent to the commissioner within ten
 341.31 calendar days after the license holder receives notice that the license has been suspended
 341.32 or revoked. If a request is made by personal service, it must be received by the commissioner

342.1 within ten calendar days after the license holder received the order. If the order is issued
342.2 through the provider hub, the appeal must be received by the commissioner within ten
342.3 calendar days from the date the commissioner issued the order through the hub. Except as
342.4 provided in subdivision 2a, paragraph (c), if a license holder submits a timely appeal of an
342.5 order suspending or revoking a license, the license holder may continue to operate the
342.6 program as provided in section 245A.04, subdivision 7, paragraphs (f) and (g), until the
342.7 commissioner issues a final order on the suspension or revocation.

342.8 (c)(1) If the license holder was ordered to pay a fine, the notice must inform the license
342.9 holder of the responsibility for payment of fines and the right to a contested case hearing
342.10 under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an
342.11 order to pay a fine must be made in writing by certified mail ~~or~~, by personal service, or
342.12 through the provider licensing and reporting hub. If mailed, the appeal must be postmarked
342.13 and sent to the commissioner within ten calendar days after the license holder receives
342.14 notice that the fine has been ordered. If a request is made by personal service, it must be
342.15 received by the commissioner within ten calendar days after the license holder received the
342.16 order. If the order is issued through the provider hub, the appeal must be received by the
342.17 commissioner within ten calendar days from the date the commissioner issued the order
342.18 through the hub.

342.19 (2) The license holder shall pay the fines assessed on or before the payment date specified.
342.20 If the license holder fails to fully comply with the order, the commissioner may issue a
342.21 second fine or suspend the license until the license holder complies. If the license holder
342.22 receives state funds, the state, county, or municipal agencies or departments responsible for
342.23 administering the funds shall withhold payments and recover any payments made while the
342.24 license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine
342.25 until the commissioner issues a final order.

342.26 (3) A license holder shall promptly notify the commissioner of human services, in writing,
342.27 when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the
342.28 commissioner determines that a violation has not been corrected as indicated by the order
342.29 to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify
342.30 the license holder by certified mail ~~or~~, by personal service, or through the provider licensing
342.31 and reporting hub that a second fine has been assessed. The license holder may appeal the
342.32 second fine as provided under this subdivision.

342.33 (4) Fines shall be assessed as follows:

343.1 (i) the license holder shall forfeit \$1,000 for each determination of maltreatment of a
343.2 child under chapter 260E or the maltreatment of a vulnerable adult under section 626.557
343.3 for which the license holder is determined responsible for the maltreatment under section
343.4 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

343.5 (ii) if the commissioner determines that a determination of maltreatment for which the
343.6 license holder is responsible is the result of maltreatment that meets the definition of serious
343.7 maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit
343.8 \$5,000;

343.9 (iii) for a program that operates out of the license holder's home and a program licensed
343.10 under Minnesota Rules, parts 9502.0300 to 9502.0445, the fine assessed against the license
343.11 holder shall not exceed \$1,000 for each determination of maltreatment;

343.12 (iv) the license holder shall forfeit \$200 for each occurrence of a violation of law or rule
343.13 governing matters of health, safety, or supervision, including but not limited to the provision
343.14 of adequate staff-to-child or adult ratios, and failure to comply with background study
343.15 requirements under chapter 245C; and

343.16 (v) the license holder shall forfeit \$100 for each occurrence of a violation of law or rule
343.17 other than those subject to a \$5,000, \$1,000, or \$200 fine in items (i) to (iv).

343.18 For purposes of this section, "occurrence" means each violation identified in the
343.19 commissioner's fine order. Fines assessed against a license holder that holds a license to
343.20 provide home and community-based services, as identified in section 245D.03, subdivision
343.21 1, and a community residential setting or day services facility license under chapter 245D
343.22 where the services are provided, may be assessed against both licenses for the same
343.23 occurrence, but the combined amount of the fines shall not exceed the amount specified in
343.24 this clause for that occurrence.

343.25 (5) When a fine has been assessed, the license holder may not avoid payment by closing,
343.26 selling, or otherwise transferring the licensed program to a third party. In such an event, the
343.27 license holder will be personally liable for payment. In the case of a corporation, each
343.28 controlling individual is personally and jointly liable for payment.

343.29 (d) Except for background study violations involving the failure to comply with an order
343.30 to immediately remove an individual or an order to provide continuous, direct supervision,
343.31 the commissioner shall not issue a fine under paragraph (c) relating to a background study
343.32 violation to a license holder who self-corrects a background study violation before the
343.33 commissioner discovers the violation. A license holder who has previously exercised the
343.34 provisions of this paragraph to avoid a fine for a background study violation may not avoid

344.1 a fine for a subsequent background study violation unless at least 365 days have passed
344.2 since the license holder self-corrected the earlier background study violation.

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

344.4 Sec. 18. Minnesota Statutes 2022, section 245A.16, is amended by adding a subdivision
344.5 to read:

344.6 Subd. 10. **Licensing and reporting hub.** Upon implementation of the provider licensing
344.7 and reporting hub, county staff who perform licensing functions must use the hub in the
344.8 manner prescribed by the commissioner.

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

344.10 Sec. 19. Minnesota Statutes 2022, section 245A.50, subdivision 3, is amended to read:

344.11 Subd. 3. **First aid.** (a) Before initial licensure and before caring for a child, license
344.12 holders, second adult caregivers, and substitutes must be trained in pediatric first aid. The
344.13 first aid training must have been provided by an individual approved to provide first aid
344.14 instruction. First aid training may be less than eight hours and persons qualified to provide
344.15 first aid training include individuals approved as first aid instructors. License holders, second
344.16 adult caregivers, and substitutes must repeat pediatric first aid training every two years.
344.17 ~~When the training expires, it must be retaken no later than the day before the anniversary~~
344.18 ~~of the license holder's license effective date.~~ License holders, second adult caregivers, and
344.19 substitutes must not let the training expire.

344.20 (b) Video training reviewed and approved by the county licensing agency satisfies the
344.21 training requirement of this subdivision.

344.22 Sec. 20. Minnesota Statutes 2022, section 245A.50, subdivision 4, is amended to read:

344.23 Subd. 4. **Cardiopulmonary resuscitation.** (a) Before initial licensure and before caring
344.24 for a child, license holders, second adult caregivers, and substitutes must be trained in
344.25 pediatric cardiopulmonary resuscitation (CPR), including CPR techniques for infants and
344.26 children, and in the treatment of obstructed airways. The CPR training must have been
344.27 provided by an individual approved to provide CPR instruction. License holders, second
344.28 adult caregivers, and substitutes must repeat pediatric CPR training at least once every two
344.29 years and must document the training in the license holder's records. ~~When the training~~
344.30 ~~expires, it must be retaken no later than the day before the anniversary of the license holder's~~
344.31 ~~license effective date.~~ License holders, second adult caregivers, and substitutes must not let
344.32 the training expire.

345.1 (b) Persons providing CPR training must use CPR training that has been developed:

345.2 (1) by the American Heart Association or the American Red Cross and incorporates
345.3 psychomotor skills to support the instruction; or

345.4 (2) using nationally recognized, evidence-based guidelines for CPR training and
345.5 incorporates psychomotor skills to support the instruction.

345.6 Sec. 21. Minnesota Statutes 2022, section 245A.50, subdivision 5, is amended to read:

345.7 **Subd. 5. Sudden unexpected infant death and abusive head trauma training.** (a)

345.8 License holders must ensure and document that before the license holder, second adult
345.9 caregivers, substitutes, and helpers assist in the care of infants, they are instructed on the
345.10 standards in section 245A.1435 and receive training on reducing the risk of sudden
345.11 unexpected infant death. In addition, license holders must ensure and document that before
345.12 the license holder, second adult caregivers, substitutes, and helpers assist in the care of
345.13 infants and children under school age, they receive training on reducing the risk of abusive
345.14 head trauma from shaking infants and young children. The training in this subdivision may
345.15 be provided as initial training under subdivision 1 or ongoing annual training under
345.16 subdivision 7.

345.17 (b) Sudden unexpected infant death reduction training required under this subdivision
345.18 must, at a minimum, address the risk factors related to sudden unexpected infant death,
345.19 means of reducing the risk of sudden unexpected infant death in child care, and license
345.20 holder communication with parents regarding reducing the risk of sudden unexpected infant
345.21 death.

345.22 (c) Abusive head trauma training required under this subdivision must, at a minimum,
345.23 address the risk factors related to shaking infants and young children, means of reducing
345.24 the risk of abusive head trauma in child care, and license holder communication with parents
345.25 regarding reducing the risk of abusive head trauma.

345.26 (d) Training for family and group family child care providers must be developed by the
345.27 commissioner in conjunction with the Minnesota Sudden Infant Death Center and approved
345.28 by the Minnesota Center for Professional Development. Sudden unexpected infant death
345.29 reduction training and abusive head trauma training may be provided in a single course of
345.30 no more than two hours in length.

345.31 (e) Sudden unexpected infant death reduction training and abusive head trauma training
345.32 required under this subdivision must be completed in person or as allowed under subdivision
345.33 10, clause (1) or (2), at least once every two years. ~~When the training expires, it must be~~

346.1 ~~retaken no later than the day before the anniversary of the license holder's license effective~~
346.2 ~~date.~~ On the years when the individual receiving training is not receiving training in person
346.3 or as allowed under subdivision 10, clause (1) or (2), the individual receiving training in
346.4 accordance with this subdivision must receive sudden unexpected infant death reduction
346.5 training and abusive head trauma training through a video of no more than one hour in
346.6 length. The video must be developed or approved by the commissioner.

346.7 (f) An individual who is related to the license holder as defined in section 245A.02,
346.8 subdivision 13, and who is involved only in the care of the license holder's own infant or
346.9 child under school age and who is not designated to be a second adult caregiver, helper, or
346.10 substitute for the licensed program, is exempt from the sudden unexpected infant death and
346.11 abusive head trauma training.

346.12 Sec. 22. Minnesota Statutes 2022, section 245A.50, subdivision 6, is amended to read:

346.13 Subd. 6. **Child passenger restraint systems; training requirement.** (a) A license
346.14 holder must comply with all seat belt and child passenger restraint system requirements
346.15 under section 169.685.

346.16 (b) Family and group family child care programs licensed by the Department of Human
346.17 Services that serve a child or children under eight years of age must document training that
346.18 fulfills the requirements in this subdivision.

346.19 (1) Before a license holder, second adult caregiver, substitute, or helper transports a
346.20 child or children under age eight in a motor vehicle, the person placing the child or children
346.21 in a passenger restraint must satisfactorily complete training on the proper use and installation
346.22 of child restraint systems in motor vehicles. Training completed under this subdivision may
346.23 be used to meet initial training under subdivision 1 or ongoing training under subdivision
346.24 7.

346.25 (2) Training required under this subdivision must be at least one hour in length, completed
346.26 at initial training, and repeated at least once every five years. ~~When the training expires, it~~
346.27 ~~must be retaken no later than the day before the anniversary of the license holder's license~~
346.28 ~~effective date.~~ At a minimum, the training must address the proper use of child restraint
346.29 systems based on the child's size, weight, and age, and the proper installation of a car seat
346.30 or booster seat in the motor vehicle used by the license holder to transport the child or
346.31 children.

346.32 (3) Training under this subdivision must be provided by individuals who are certified
346.33 and approved by the Department of Public Safety, Office of Traffic Safety. License holders

347.1 may obtain a list of certified and approved trainers through the Department of Public Safety
347.2 website or by contacting the agency.

347.3 (c) Child care providers that only transport school-age children as defined in section
347.4 245A.02, subdivision 19, paragraph (f), in child care buses as defined in section 169.448,
347.5 subdivision 1, paragraph (e), are exempt from this subdivision.

347.6 Sec. 23. Minnesota Statutes 2022, section 245A.50, subdivision 9, is amended to read:

347.7 Subd. 9. **Supervising for safety; training requirement.** (a) Courses required by this
347.8 subdivision must include the following health and safety topics:

347.9 (1) preventing and controlling infectious diseases;

347.10 (2) administering medication;

347.11 (3) preventing and responding to allergies;

347.12 (4) ensuring building and physical premises safety;

347.13 (5) handling and storing biological contaminants;

347.14 (6) preventing and reporting child abuse and maltreatment; and

347.15 (7) emergency preparedness.

347.16 (b) Before initial licensure and before caring for a child, all family child care license
347.17 holders and each second adult caregiver shall complete and document the completion of
347.18 the six-hour Supervising for Safety for Family Child Care course developed by the
347.19 commissioner.

347.20 (c) The license holder must ensure and document that, before caring for a child, all
347.21 substitutes have completed the four-hour Basics of Licensed Family Child Care for
347.22 Substitutes course developed by the commissioner, which must include health and safety
347.23 topics as well as child development and learning.

347.24 (d) The family child care license holder and each second adult caregiver shall complete
347.25 and document:

347.26 (1) the annual completion of either:

347.27 (i) a two-hour active supervision course developed by the commissioner; or

347.28 (ii) any courses in the ensuring safety competency area under the health, safety, and
347.29 nutrition standard of the Knowledge and Competency Framework that the commissioner
347.30 has identified as an active supervision training course; and

348.1 (2) the completion at least once every five years of the two-hour courses Health and
 348.2 Safety I and Health and Safety II. ~~When the training is due for the first time or expires, it~~
 348.3 ~~must be taken no later than the day before the anniversary of the license holder's license~~
 348.4 ~~effective date.~~ A license holder's or second adult caregiver's completion of either training
 348.5 in a given year meets the annual active supervision training requirement in clause (1).

348.6 (e) At least once every three years, license holders must ensure and document that
 348.7 substitutes have completed the four-hour Basics of Licensed Family Child Care for
 348.8 Substitutes course. ~~When the training expires, it must be retaken no later than the day before~~
 348.9 ~~the anniversary of the license holder's license effective date.~~

348.10 Sec. 24. Minnesota Statutes 2022, section 245H.03, subdivision 2, is amended to read:

348.11 Subd. 2. **Application submission.** The commissioner shall provide application
 348.12 instructions and information about the rules and requirements of other state agencies that
 348.13 affect the applicant. The certification application must be submitted in a manner prescribed
 348.14 by the commissioner. Upon implementation of the provider licensing and reporting hub,
 348.15 applicants must use the hub in the manner prescribed by the commissioner. The commissioner
 348.16 shall act on the application within 90 working days of receiving a completed application.

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

348.18 Sec. 25. Minnesota Statutes 2022, section 245H.03, subdivision 3, is amended to read:

348.19 Subd. 3. **Incomplete applications.** When the commissioner receives an application for
 348.20 initial certification that is incomplete because the applicant failed to submit required
 348.21 documents or is deficient because the documents submitted do not meet certification
 348.22 requirements, the commissioner shall provide the applicant written notice that the application
 348.23 is incomplete or deficient. In the notice, the commissioner shall identify documents that are
 348.24 missing or deficient and give the applicant 45 days to resubmit a second application that is
 348.25 complete. An applicant's failure to submit a complete application after receiving notice from
 348.26 the commissioner is basis for certification denial.

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

348.28 Sec. 26. Minnesota Statutes 2022, section 245H.03, subdivision 4, is amended to read:

348.29 Subd. 4. **Reconsideration of certification denial.** (a) The applicant may request
 348.30 reconsideration of the denial by notifying the commissioner by certified mail ~~or~~, by personal
 348.31 service, or through the provider licensing and reporting hub. The request must be made in
 348.32 writing. If sent by certified mail, the request must be postmarked and sent to the

349.1 commissioner within 20 calendar days after the applicant received the order. If a request is
349.2 made by personal service, it must be received by the commissioner within 20 calendar days
349.3 after the applicant received the order. If the order is issued through the provider hub, the
349.4 request must be received by the commissioner within 20 calendar days from the date the
349.5 commissioner issued the order through the hub. The applicant may submit with the request
349.6 for reconsideration a written argument or evidence in support of the request for
349.7 reconsideration.

349.8 (b) The commissioner's disposition of a request for reconsideration is final and not
349.9 subject to appeal under chapter 14.

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

349.11 Sec. 27. Minnesota Statutes 2022, section 245H.06, subdivision 1, is amended to read:

349.12 Subdivision 1. **Correction order requirements.** (a) If the applicant or certification
349.13 holder failed to comply with a law or rule, the commissioner may issue a correction order.
349.14 The correction order must state:

349.15 (1) the condition that constitutes a violation of the law or rule;

349.16 (2) the specific law or rule violated; and

349.17 (3) the time allowed to correct each violation.

349.18 (b) The commissioner may issue a correction order to the applicant or certification holder
349.19 through the provider licensing and reporting hub.

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

349.21 Sec. 28. Minnesota Statutes 2022, section 245H.06, subdivision 2, is amended to read:

349.22 Subd. 2. **Reconsideration request.** (a) If the applicant or certification holder believes
349.23 that the commissioner's correction order is erroneous, the applicant or certification holder
349.24 may ask the commissioner to reconsider the part of the correction order that is allegedly
349.25 erroneous. A request for reconsideration must be made in writing, and postmarked, or
349.26 submitted through the provider licensing and reporting hub, and sent to the commissioner
349.27 within 20 calendar days after the applicant or certification holder received the correction
349.28 order, and must:

349.29 (1) specify the part of the correction order that is allegedly erroneous;

349.30 (2) explain why the specified part is erroneous; and

350.1 (3) include documentation to support the allegation of error.

350.2 (b) A request for reconsideration does not stay any provision or requirement of the
350.3 correction order. The commissioner's disposition of a request for reconsideration is final
350.4 and not subject to appeal.

350.5 (c) Upon implementation of the provider licensing and reporting hub, the provider must
350.6 use the hub to request reconsideration. If the order is issued through the provider hub, the
350.7 request must be received by the commissioner within 20 calendar days from the date the
350.8 commissioner issued the order through the hub.

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

350.10 Sec. 29. Minnesota Statutes 2022, section 245H.07, subdivision 1, is amended to read:

350.11 Subdivision 1. **Generally.** (a) The commissioner may decertify a center if a certification
350.12 holder:

350.13 (1) failed to comply with an applicable law or rule;

350.14 (2) knowingly withheld relevant information from or gave false or misleading information
350.15 to the commissioner in connection with an application for certification, in connection with
350.16 the background study status of an individual, during an investigation, or regarding compliance
350.17 with applicable laws or rules; or

350.18 (3) has authorization to receive child care assistance payments revoked pursuant to
350.19 chapter 119B.

350.20 (b) When considering decertification, the commissioner shall consider the nature,
350.21 chronicity, or severity of the violation of law or rule.

350.22 (c) When a center is decertified, the center is ineligible to receive a child care assistance
350.23 payment under chapter 119B.

350.24 (d) The commissioner may issue a decertification order to a certification holder through
350.25 the provider licensing and reporting hub.

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

350.27 Sec. 30. Minnesota Statutes 2022, section 245H.07, subdivision 2, is amended to read:

350.28 Subd. 2. **Reconsideration of decertification.** (a) The certification holder may request
350.29 reconsideration of the decertification by notifying the commissioner by certified mail ~~or~~,
350.30 by personal service, or through the provider licensing and reporting hub. The request must

351.1 be made in writing. If sent by certified mail, the request must be postmarked and sent to the
351.2 commissioner within 20 calendar days after the certification holder received the order. If a
351.3 request is made by personal service, it must be received by the commissioner within 20
351.4 calendar days after the certification holder received the order. If the order is issued through
351.5 the provider hub, the request must be received by the commissioner within 20 calendar days
351.6 from the date the commissioner issued the order through the hub. With the request for
351.7 reconsideration, the certification holder may submit a written argument or evidence in
351.8 support of the request for reconsideration.

351.9 (b) The commissioner's disposition of a request for reconsideration is final and not
351.10 subject to appeal under chapter 14.

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

351.12 Sec. 31. Minnesota Statutes 2022, section 245I.20, subdivision 10, is amended to read:

351.13 Subd. 10. **Application procedures.** (a) The applicant for certification must submit any
351.14 documents that the commissioner requires on forms approved by the commissioner. Upon
351.15 implementation of the provider licensing and reporting hub, applicants must use the hub in
351.16 the manner prescribed by the commissioner.

351.17 (b) Upon submitting an application for certification, an applicant must pay the application
351.18 fee required by section 245A.10, subdivision 3.

351.19 (c) The commissioner must act on an application within 90 working days of receiving
351.20 a completed application.

351.21 (d) When the commissioner receives an application for initial certification that is
351.22 incomplete because the applicant failed to submit required documents or is deficient because
351.23 the submitted documents do not meet certification requirements, the commissioner must
351.24 provide the applicant with written notice that the application is incomplete or deficient. In
351.25 the notice, the commissioner must identify the particular documents that are missing or
351.26 deficient and give the applicant 45 days to submit a second application that is complete. An
351.27 applicant's failure to submit a complete application within 45 days after receiving notice
351.28 from the commissioner is a basis for certification denial.

351.29 (e) The commissioner must give notice of a denial to an applicant when the commissioner
351.30 has made the decision to deny the certification application. In the notice of denial, the
351.31 commissioner must state the reasons for the denial in plain language. The commissioner
351.32 must send or deliver the notice of denial to an applicant by certified mail ~~or~~, by personal
351.33 service. In the notice of denial, the commissioner must state the reasons that the commissioner

352.1 denied the application and must inform the applicant of the applicant's right to request a
352.2 contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612.
352.3 The applicant may appeal the denial by notifying the commissioner in writing by certified
352.4 mail ~~or~~, by personal service, or through the provider licensing and reporting hub. If mailed,
352.5 the appeal must be postmarked and sent to the commissioner within 20 calendar days after
352.6 the applicant received the notice of denial. If an applicant delivers an appeal by personal
352.7 service, the commissioner must receive the appeal within 20 calendar days after the applicant
352.8 received the notice of denial. If the order is issued through the provider hub, the request
352.9 must be received by the commissioner within 20 calendar days from the date the
352.10 commissioner issued the order through the hub.

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

352.12 Sec. 32. Minnesota Statutes 2022, section 245I.20, subdivision 13, is amended to read:

352.13 Subd. 13. **Correction orders.** (a) If the applicant or certification holder fails to comply
352.14 with a law or rule, the commissioner may issue a correction order. The correction order
352.15 must state:

352.16 (1) the condition that constitutes a violation of the law or rule;

352.17 (2) the specific law or rule that the applicant or certification holder has violated; and

352.18 (3) the time that the applicant or certification holder is allowed to correct each violation.

352.19 (b) If the applicant or certification holder believes that the commissioner's correction
352.20 order is erroneous, the applicant or certification holder may ask the commissioner to
352.21 reconsider the part of the correction order that is allegedly erroneous. An applicant or
352.22 certification holder must make a request for reconsideration in writing. The request must
352.23 be postmarked and sent to the commissioner or submitted in the provider licensing and
352.24 reporting hub within 20 calendar days after the applicant or certification holder received
352.25 the correction order; and the request must:

352.26 (1) specify the part of the correction order that is allegedly erroneous;

352.27 (2) explain why the specified part is erroneous; and

352.28 (3) include documentation to support the allegation of error.

352.29 (c) A request for reconsideration does not stay any provision or requirement of the
352.30 correction order. The commissioner's disposition of a request for reconsideration is final
352.31 and not subject to appeal.

353.1 (d) If the commissioner finds that the applicant or certification holder failed to correct
 353.2 the violation specified in the correction order, the commissioner may decertify the certified
 353.3 mental health clinic according to subdivision 14.

353.4 (e) Nothing in this subdivision prohibits the commissioner from decertifying a mental
 353.5 health clinic according to subdivision 14.

353.6 (f) The commissioner may issue a correction order to the applicant or certification holder
 353.7 through the provider licensing and reporting hub. If the order is issued through the provider
 353.8 hub, the request must be received by the commissioner within 20 calendar days from the
 353.9 date the commissioner issued the order through the hub.

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

353.11 Sec. 33. Minnesota Statutes 2022, section 245I.20, subdivision 14, is amended to read:

353.12 Subd. 14. **Decertification.** (a) The commissioner may decertify a mental health clinic
 353.13 if a certification holder:

353.14 (1) failed to comply with an applicable law or rule; or

353.15 (2) knowingly withheld relevant information from or gave false or misleading information
 353.16 to the commissioner in connection with an application for certification, during an
 353.17 investigation, or regarding compliance with applicable laws or rules.

353.18 (b) When considering decertification of a mental health clinic, the commissioner must
 353.19 consider the nature, chronicity, or severity of the violation of law or rule and the effect of
 353.20 the violation on the health, safety, or rights of clients.

353.21 (c) If the commissioner decertifies a mental health clinic, the order of decertification
 353.22 must inform the certification holder of the right to have a contested case hearing under
 353.23 chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The commissioner may
 353.24 issue the order through the provider licensing and reporting hub. The certification holder
 353.25 may appeal the decertification. The certification holder must appeal a decertification in
 353.26 writing and send or deliver the appeal to the commissioner by certified mail ~~or~~, by personal
 353.27 service, or through the provider licensing and reporting hub. If the certification holder mails
 353.28 the appeal, the appeal must be postmarked and sent to the commissioner within ten calendar
 353.29 days after the certification holder receives the order of decertification. If the certification
 353.30 holder delivers an appeal by personal service, the commissioner must receive the appeal
 353.31 within ten calendar days after the certification holder received the order. If the order is
 353.32 issued through the provider hub, the request must be received by the commissioner within
 353.33 20 calendar days from the date the commissioner issued the order through the hub. If a

354.1 certification holder submits a timely appeal of an order of decertification, the certification
354.2 holder may continue to operate the program until the commissioner issues a final order on
354.3 the decertification.

354.4 (d) If the commissioner decertifies a mental health clinic pursuant to paragraph (a),
354.5 clause (1), based on a determination that the mental health clinic was responsible for
354.6 maltreatment, and if the certification holder appeals the decertification according to paragraph
354.7 (c), and appeals the maltreatment determination under section 260E.33, the final
354.8 decertification determination is stayed until the commissioner issues a final decision regarding
354.9 the maltreatment appeal.

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

354.11 Sec. 34. Minnesota Statutes 2022, section 245I.20, subdivision 16, is amended to read:

354.12 Subd. 16. **Notifications required and noncompliance.** (a) A certification holder must
354.13 notify the commissioner, in a manner prescribed by the commissioner, and obtain the
354.14 commissioner's approval before making any change to the name of the certification holder
354.15 or the location of the mental health clinic. Upon implementation of the provider licensing
354.16 and reporting hub, certification holders must enter and update information in the hub in a
354.17 manner prescribed by the commissioner.

354.18 (b) Changes in mental health clinic organization, staffing, treatment, or quality assurance
354.19 procedures that affect the ability of the certification holder to comply with the minimum
354.20 standards of this section must be reported in writing by the certification holder to the
354.21 commissioner within 15 days of the occurrence. Review of the change must be conducted
354.22 by the commissioner. A certification holder with changes resulting in noncompliance in
354.23 minimum standards must receive written notice and may have up to 180 days to correct the
354.24 areas of noncompliance before being decertified. Interim procedures to resolve the
354.25 noncompliance on a temporary basis must be developed and submitted in writing to the
354.26 commissioner for approval within 30 days of the commissioner's determination of the
354.27 noncompliance. Not reporting an occurrence of a change that results in noncompliance
354.28 within 15 days, failure to develop an approved interim procedure within 30 days of the
354.29 determination of the noncompliance, or nonresolution of the noncompliance within 180
354.30 days will result in immediate decertification.

354.31 (c) The mental health clinic may be required to submit written information to the
354.32 department to document that the mental health clinic has maintained compliance with this
354.33 section and mental health clinic procedures.

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

355.2 Sec. 35. Minnesota Statutes 2022, section 260E.09, is amended to read:

355.3 **260E.09 REPORTING REQUIREMENTS.**

355.4 (a) An oral report shall be made immediately by telephone or otherwise. An oral report
355.5 made by a person required under section 260E.06, subdivision 1, to report shall be followed
355.6 within 72 hours, exclusive of weekends and holidays, by a report in writing to the appropriate
355.7 police department, the county sheriff, the agency responsible for assessing or investigating
355.8 the report, or the local welfare agency.

355.9 (b) Any report shall be of sufficient content to identify the child, any person believed
355.10 to be responsible for the maltreatment of the child if the person is known, the nature and
355.11 extent of the maltreatment, and the name and address of the reporter. The local welfare
355.12 agency or agency responsible for assessing or investigating the report shall accept a report
355.13 made under section 260E.06 notwithstanding refusal by a reporter to provide the reporter's
355.14 name or address as long as the report is otherwise sufficient under this paragraph.

355.15 (c) Notwithstanding paragraph (a), upon implementation of the provider licensing and
355.16 reporting hub, an individual who has an account with the provider licensing and reporting
355.17 hub and is required to report suspected maltreatment as a licensed program under section
355.18 260E.06, subdivision 1, may submit a written report in the hub in a manner prescribed by
355.19 the commissioner and is not required to make an oral report. A report submitted through
355.20 the provider licensing and reporting hub must be made immediately.

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

355.22 Sec. 36. Minnesota Statutes 2022, section 270B.14, subdivision 1, is amended to read:

355.23 Subdivision 1. **Disclosure to commissioner of human services.** (a) On the request of
355.24 the commissioner of human services, the commissioner shall disclose return information
355.25 regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to the
355.26 extent provided in paragraph (b) and for the purposes set forth in paragraph (c).

355.27 (b) Data that may be disclosed are limited to data relating to the identity, whereabouts,
355.28 employment, income, and property of a person owing or alleged to be owing an obligation
355.29 of child support.

355.30 (c) The commissioner of human services may request data only for the purposes of
355.31 carrying out the child support enforcement program and to assist in the location of parents

356.1 who have, or appear to have, deserted their children. Data received may be used only as set
356.2 forth in section 256.978.

356.3 (d) The commissioner shall provide the records and information necessary to administer
356.4 the supplemental housing allowance to the commissioner of human services.

356.5 (e) At the request of the commissioner of human services, the commissioner of revenue
356.6 shall electronically match the Social Security numbers and names of participants in the
356.7 telephone assistance plan operated under sections 237.69 to 237.71, with those of property
356.8 tax refund filers, and determine whether each participant's household income is within the
356.9 eligibility standards for the telephone assistance plan.

356.10 (f) The commissioner may provide records and information collected under sections
356.11 295.50 to 295.59 to the commissioner of human services for purposes of the Medicaid
356.12 Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law
356.13 102-234. Upon the written agreement by the United States Department of Health and Human
356.14 Services to maintain the confidentiality of the data, the commissioner may provide records
356.15 and information collected under sections 295.50 to 295.59 to the Centers for Medicare and
356.16 Medicaid Services section of the United States Department of Health and Human Services
356.17 for purposes of meeting federal reporting requirements.

356.18 (g) The commissioner may provide records and information to the commissioner of
356.19 human services as necessary to administer the early refund of refundable tax credits.

356.20 (h) The commissioner may disclose information to the commissioner of human services
356.21 as necessary for income verification for eligibility and premium payment under the
356.22 MinnesotaCare program, under section 256L.05, subdivision 2, as well as the medical
356.23 assistance program under chapter 256B.

356.24 (i) The commissioner may disclose information to the commissioner of human services
356.25 necessary to verify whether applicants or recipients for the Minnesota family investment
356.26 program, general assistance, the Supplemental Nutrition Assistance Program (SNAP),
356.27 Minnesota supplemental aid program, and child care assistance have claimed refundable
356.28 tax credits under chapter 290 and the property tax refund under chapter 290A, and the
356.29 amounts of the credits.

356.30 (j) The commissioner may disclose information to the commissioner of human services
356.31 necessary to verify income for purposes of calculating parental contribution amounts under
356.32 section 252.27, subdivision 2a.

357.1 (k) The commissioner shall disclose information to the commissioner of human services
357.2 to verify the income and tax identification information of:

357.3 (1) an applicant under section 245A.04, subdivision 1;

357.4 (2) an applicant under section 245I.20;

357.5 (3) an applicant under section 245H.03;

357.6 (4) a license holder; or

357.7 (5) a certification holder.

357.8 **Sec. 37. DIRECTION TO COMMISSIONER; LICENSING SYSTEM**
357.9 **TRANSFORMATION.**

357.10 (a) The commissioner must implement an integrated provider licensing hub for human
357.11 services licensing that provides information about licensing, licensing processes, and training
357.12 to licensed providers and the public in multiple languages including Spanish, Somali, and
357.13 Hmong.

357.14 (b) The commissioner must establish a permanent cross-functional product team that
357.15 includes staff from the Department of Human Services and MNIT services to implement
357.16 the integrated provider licensing hub.

357.17 (c) The commissioner must execute a contract with an implementation contractor to
357.18 configure the software and implement the provider licensing hub.

357.19 (d) The commissioner must execute a contract to implement an enterprise master data
357.20 management solution that ensures that there is a single master record for each person, place,
357.21 or program from across internal and external data sources and applications to promote
357.22 accurate reporting, reduce data errors, remove redundancy, and facilitate data-driven
357.23 decisions.

357.24 (e) The commissioner must develop a plan to architect an enterprise single sign-on
357.25 experience.

ARTICLE 9

BEHAVIORAL HEALTH

Section 1. [245.0961] AFRICAN AMERICAN BEHAVIORAL HEALTH GRANT PROGRAM.

Subdivision 1. Establishment. The commissioner of human services must establish an African American Behavioral Health grant program to offer culturally specific, comprehensive, trauma-informed, practice- and evidence-based, person- and family-centered mental health and substance use disorder treatment services.

Subd. 2. Eligible applicants. To be eligible for a grant under this section, applicants must be a nonprofit organization or a nongovernmental organization and must be a culturally specific mental health service provider that is a licensed community mental health center that specializes in services for African American children and families.

Subd. 3. Application. An organization seeking a grant under this section must apply to the commissioner at a time and in a manner specified by the commissioner.

Subd. 4. Grant activities. Grant funds must be used to offer culturally specific, comprehensive, trauma-informed, practice- and evidence-based, person- and family-centered mental health and substance use disorder services. Grant funds may also be used for supervision and training, and care coordination regardless of a client's ability to pay or place of residence.

Subd. 5. Reporting. (a) The grantee must submit a report to the commissioner in a manner and on a timeline specified by the commissioner. The report must include how many clients were served with the grant funds and, if grant funds were used for supervision and training, how many providers were supervised or trained using the grant funds.

(b) The commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over behavioral health no later than six months after receiving the report under paragraph (a). The report submitted by the commissioner must include the information specified in paragraph (a).

Sec. 2. Minnesota Statutes 2022, section 245.4889, subdivision 1, is amended to read:

Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized to make grants from available appropriations to assist:

(1) counties;

(2) Indian tribes;

- 359.1 (3) children's collaboratives under section 124D.23 or 245.493; or
- 359.2 (4) mental health service providers.
- 359.3 (b) The following services are eligible for grants under this section:
- 359.4 (1) services to children with emotional disturbances as defined in section 245.4871,
- 359.5 subdivision 15, and their families;
- 359.6 (2) transition services under section 245.4875, subdivision 8, for young adults under
- 359.7 age 21 and their families;
- 359.8 (3) respite care services for children with emotional disturbances or severe emotional
- 359.9 disturbances who are at risk of out-of-home placement or already in out-of-home placement
- 359.10 in family foster settings as defined in chapter 245A and at risk of change in out-of-home
- 359.11 placement or placement in a residential facility or other higher level of care. Allowable
- 359.12 activities and expenses for respite care services are defined under subdivision 4. A child is
- 359.13 not required to have case management services to receive respite care services;
- 359.14 (4) children's mental health crisis services;
- 359.15 (5) mental health services for people from cultural and ethnic minorities, including
- 359.16 supervision of clinical trainees who are Black, indigenous, or people of color;
- 359.17 (6) children's mental health screening and follow-up diagnostic assessment and treatment;
- 359.18 (7) services to promote and develop the capacity of providers to use evidence-based
- 359.19 practices in providing children's mental health services;
- 359.20 (8) school-linked mental health services under section 245.4901;
- 359.21 (9) building evidence-based mental health intervention capacity for children birth to age
- 359.22 five;
- 359.23 (10) suicide prevention and counseling services that use text messaging statewide;
- 359.24 (11) mental health first aid training;
- 359.25 (12) training for parents, collaborative partners, and mental health providers on the
- 359.26 impact of adverse childhood experiences and trauma and development of an interactive
- 359.27 website to share information and strategies to promote resilience and prevent trauma;
- 359.28 (13) transition age services to develop or expand mental health treatment and supports
- 359.29 for adolescents and young adults 26 years of age or younger;
- 359.30 (14) early childhood mental health consultation;

360.1 (15) evidence-based interventions for youth at risk of developing or experiencing a first
360.2 episode of psychosis, and a public awareness campaign on the signs and symptoms of
360.3 psychosis;

360.4 (16) psychiatric consultation for primary care practitioners; ~~and~~

360.5 (17) providers to begin operations and meet program requirements when establishing a
360.6 new children's mental health program. ~~These may be start-up grants,~~ including start-up
360.7 grants; and

360.8 (18) evidence-informed interventions for youth and young adults who are at risk of
360.9 developing a mood disorder or are experiencing an emerging mood disorder , including
360.10 major depression and bipolar disorders, and a public awareness campaign on the signs and
360.11 symptoms of mood disorders in youth and young adults.

360.12 (c) Services under paragraph (b) must be designed to help each child to function and
360.13 remain with the child's family in the community and delivered consistent with the child's
360.14 treatment plan. Transition services to eligible young adults under this paragraph must be
360.15 designed to foster independent living in the community.

360.16 (d) As a condition of receiving grant funds, a grantee shall obtain all available third-party
360.17 reimbursement sources, if applicable.

360.18 **EFFECTIVE DATE.** This section is effective July 1, 2023.

360.19 Sec. 3. **[245.4903] CULTURAL AND ETHNIC MINORITY INFRASTRUCTURE**
360.20 **GRANT PROGRAM.**

360.21 Subdivision 1. Establishment. The commissioner of human services must establish a
360.22 cultural and ethnic minority infrastructure grant program to ensure that mental health and
360.23 substance use disorder treatment supports and services are culturally specific and culturally
360.24 responsive to meet the cultural needs of communities served.

360.25 Subd. 2. Eligible applicants. An eligible applicant is a licensed entity or provider from
360.26 a cultural or ethnic minority population who:

360.27 (1) provides mental health or substance use disorder treatment services and supports to
360.28 individuals from cultural and ethnic minority populations, including members of those
360.29 populations who identify as lesbian, gay, bisexual, transgender, or queer;

360.30 (2) provides, or is qualified and has the capacity to provide, clinical supervision and
360.31 support to members of culturally diverse and ethnic minority communities so they may
360.32 become qualified mental health and substance use disorder treatment providers; or

361.1 (3) has the capacity and experience to provide training for mental health and substance
361.2 use disorder treatment providers on cultural competency and cultural humility.

361.3 Subd. 3. Allowable grant activities. (a) Grantees must engage in activities and provide
361.4 supportive services to ensure and increase equitable access to culturally specific and
361.5 responsive care and build organizational and professional capacity for licensure and
361.6 certification for the communities served. Allowable grant activities include but are not
361.7 limited to:

361.8 (1) providing workforce development activities focused on recruiting, supporting,
361.9 training, and supervising mental health and substance use disorder practitioners and
361.10 professionals from diverse racial, cultural, and ethnic communities;

361.11 (2) helping members of culturally diverse and ethnic minority communities become
361.12 qualified mental health and substance use disorder professionals, practitioners, clinical
361.13 supervisors, recovery peer specialists, mental health certified peer specialists, and mental
361.14 health certified family peer specialists;

361.15 (3) providing culturally specific outreach, early intervention, trauma-informed services,
361.16 and recovery support in mental health and substance use disorder services;

361.17 (4) providing trauma-informed and culturally responsive mental health and substance
361.18 use disorder supports and services to children and families, youth, or adults who are from
361.19 cultural and ethnic minority backgrounds and are uninsured or underinsured;

361.20 (5) expanding mental health and substance use disorder services, particularly in greater
361.21 Minnesota;

361.22 (6) training for mental health and substance use disorder treatment providers on cultural
361.23 competency and cultural humility; and

361.24 (7) providing activities that increase the availability of culturally responsive mental
361.25 health and substance use disorder services for children and families, youth, or adults, or
361.26 that increase the availability of substance use disorder services for individuals from cultural
361.27 and ethnic minorities in the state.

361.28 (b) The commissioner must assist grantees with meeting third-party credentialing
361.29 requirements, and grantees must obtain all available third-party reimbursement sources as
361.30 a condition of receiving grant funds. Grantees must serve individuals from cultural and
361.31 ethnic minority communities regardless of health coverage status or ability to pay.

361.32 Subd. 4. Program evaluation requirements. The commissioner must consult with the
361.33 commissioner of management and budget on program outcomes, evaluation metrics, and

362.1 progress indicators for the grant program under this section. The commissioner must only
362.2 implement program outcomes, evaluation metrics, and progress indicators that are determined
362.3 through and agreed upon during the consultation with the commissioner of management
362.4 and budget. The commissioner shall not implement the grant program under this section
362.5 until the consultation with the commissioner of management and budget is completed. The
362.6 commissioner must incorporate agreed upon program outcomes, evaluation metrics, and
362.7 progress indicators into grant applications, requests for proposals, and any reports to the
362.8 legislature.

362.9 **Sec. 4. [245.4904] EMERGING MOOD DISORDER GRANT PROGRAM.**

362.10 Subdivision 1. **Creation.** (a) The emerging mood disorder grant program is established
362.11 in the Department of Human Services to fund:

362.12 (1) evidence-informed interventions for youth and young adults who are at risk of
362.13 developing a mood disorder or are experiencing an emerging mood disorder, including
362.14 major depression and bipolar disorders; and

362.15 (2) a public awareness campaign on the signs and symptoms of mood disorders in youth
362.16 and young adults.

362.17 (b) Emerging mood disorder services are eligible for children's mental health grants as
362.18 specified in section 245.4889, subdivision 1, paragraph (b), clause (18).

362.19 Subd. 2. **Activities.** (a) All emerging mood disorder grant program recipients must:

362.20 (1) provide intensive treatment and support to adolescents and young adults experiencing
362.21 or at risk of experiencing an emerging mood disorder. Intensive treatment and support
362.22 includes medication management, psychoeducation for the individual and the individual's
362.23 family, case management, employment support, education support, cognitive behavioral
362.24 approaches, social skills training, peer support, crisis planning, and stress management;

362.25 (2) conduct outreach and provide training and guidance to mental health and health care
362.26 professionals, including postsecondary health clinicians, on early symptoms of mood
362.27 disorders, screening tools, and best practices;

362.28 (3) ensure access for individuals to emerging mood disorder services under this section,
362.29 including ensuring access for individuals who live in rural areas; and

362.30 (4) use all available funding streams.

363.1 (b) Grant money may also be used to pay for housing or travel expenses for individuals
363.2 receiving services or to address other barriers preventing individuals and their families from
363.3 participating in emerging mood disorder services.

363.4 (c) Grant money may be used by the grantee to evaluate the efficacy of providing
363.5 intensive services and supports to people with emerging mood disorders.

363.6 Subd. 3. **Eligibility.** Program activities must be provided to youth and young adults with
363.7 early signs of an emerging mood disorder.

363.8 Subd. 4. **Program evaluation requirements.** The commissioner must consult with the
363.9 commissioner of management and budget on program outcomes, evaluation metrics, and
363.10 progress indicators for the grant program under this section. The commissioner must only
363.11 implement program outcomes, evaluation metrics, and progress indicators that are determined
363.12 through and agreed upon during the consultation with the commissioner of management
363.13 and budget. The commissioner shall not implement the grant program under this section
363.14 until the consultation with the commissioner of management and budget is completed. The
363.15 commissioner must incorporate agreed upon program outcomes, evaluation metrics, and
363.16 progress indicators into grant applications, requests for proposals, and any reports to the
363.17 legislature.

363.18 **EFFECTIVE DATE.** This section is effective July 1, 2023.

363.19 Sec. 5. Minnesota Statutes 2022, section 254B.02, subdivision 5, is amended to read:

363.20 Subd. 5. ~~Administrative adjustment~~ Local agency allocation. The commissioner may
363.21 make payments to local agencies from money allocated under this section to support
363.22 ~~administrative activities under sections 254B.03 and 254B.04~~ individuals with substance
363.23 use disorders. The administrative payment must not exceed the lesser of: (1) five percent
363.24 of the first \$50,000, four percent of the next \$50,000, and three percent of the remaining
363.25 payments for services from the special revenue account according to subdivision 1; or (2)
363.26 be less than 133 percent of the local agency administrative payment for the fiscal year ending
363.27 June 30, 2009, adjusted in proportion to the statewide change in the appropriation for this
363.28 chapter.

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

364.1 Sec. 6. Minnesota Statutes 2022, section 256B.0941, is amended by adding a subdivision
364.2 to read:

364.3 Subd. 5. Start-up and capacity-building grants. (a) The commissioner shall establish
364.4 start-up and capacity-building grants for psychiatric residential treatment facility sites.
364.5 Start-up grants to prospective psychiatric residential treatment facility sites may be used
364.6 for:

364.7 (1) administrative expenses;

364.8 (2) consulting services;

364.9 (3) Health Insurance Portability and Accountability Act of 1996 compliance;

364.10 (4) therapeutic resources, including evidence-based, culturally appropriate curriculums
364.11 and training programs for staff and clients;

364.12 (5) allowable physical renovations to the property; and

364.13 (6) emergency workforce shortage uses, as determined by the commissioner.

364.14 (b) Start-up and capacity-building grants to prospective and current psychiatric residential
364.15 treatment facilities may be used to support providers who treat and accept individuals with
364.16 complex support needs, including but not limited to:

364.17 (1) neurocognitive disorders;

364.18 (2) co-occurring intellectual developmental disabilities;

364.19 (3) schizophrenia spectrum disorders;

364.20 (4) manifested or labeled aggressive behaviors; and

364.21 (5) manifested sexually inappropriate behaviors.

364.22 **EFFECTIVE DATE.** This section is effective July 1, 2023.

364.23 Sec. 7. **DIRECTION TO COMMISSIONER; CHANGES TO RESIDENTIAL ADULT**
364.24 **MENTAL HEALTH PROGRAM LICENSING REQUIREMENTS.**

364.25 (a) The commissioner of human services must consult with stakeholders to determine
364.26 the changes to residential adult mental health program licensing requirements in Minnesota
364.27 Rules, parts 9520.0500 to 9520.0670, necessary to:

364.28 (1) update requirements for category I programs to align with current mental health
364.29 practices, client rights for similar services, and health and safety needs of clients receiving
364.30 services;

365.1 (2) remove category II classification and requirements; and

365.2 (3) add licensing requirements to the rule for the Forensic Mental Health Program.

365.3 (b) The commissioner must use existing authority in Minnesota Statutes, chapter 245A,
365.4 to amend Minnesota Rules, parts 9520.0500 to 9520.0670, based on the stakeholder
365.5 consultation in paragraph (a) and additional changes as determined by the commissioner.

365.6 **Sec. 8. LOCAL AGENCY SUBSTANCE USE DISORDER ALLOCATION.**

365.7 The commissioner of human services shall evaluate the ongoing need for local agency
365.8 substance use disorder allocations under Minnesota Statutes, section 254B.02. The evaluation
365.9 must include recommendations on whether local agency allocations should continue, and
365.10 if so, must recommend what the purpose of the allocations should be and propose an updated
365.11 allocation methodology that aligns with the purpose and person-centered outcomes for
365.12 people experiencing substance use disorders and behavioral health conditions. The
365.13 commissioner may contract with a vendor to support this evaluation through research and
365.14 actuarial analysis.

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

365.16 **Sec. 9. MOBILE RESPONSE AND STABILIZATION SERVICES PILOT.**

365.17 The commissioner of human services shall establish a pilot to promote access to crisis
365.18 response services and reduce psychiatric hospitalizations and out-of-home placement services
365.19 for children, youth, and families. The pilot must incorporate a two-pronged approach to
365.20 provide an immediate, in-person response within 60 minutes of a crisis, as well as extended,
365.21 longer-term supports for the family unit. The pilot must aim to help families respond to
365.22 children's behavioral health crises while bolstering resiliency and recovery within the family
365.23 unit. The commissioner must consult with a qualified expert entity to assist in the formulation
365.24 of measurable outcomes and explore and position the state to submit a Medicaid state plan
365.25 amendment to scale the model statewide.

365.26 **EFFECTIVE DATE.** This section is effective July 1, 2023.

365.27 **Sec. 10. RATE INCREASE FOR MENTAL HEALTH ADULT DAY TREATMENT.**

365.28 The commissioner of human services must increase the reimbursement rate for adult
365.29 day treatment under Minnesota Statutes, section 256B.0671, subdivision 3, by 50 percent
365.30 over the reimbursement rate in effect as of June 30, 2023.

366.1 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,
 366.2 whichever is later. The commissioner of human services shall notify the revisor of statutes
 366.3 when federal approval is obtained.

366.4 **ARTICLE 10**

366.5 **ADDRESSING DEEP POVERTY**

366.6 Section 1. Minnesota Statutes 2022, section 256D.01, subdivision 1a, is amended to read:

366.7 Subd. 1a. **Standards.** (a) A principal objective in providing general assistance is to
 366.8 provide for single adults, childless couples, or children as defined in section 256D.02,
 366.9 subdivision 6, ineligible for federal programs who are unable to provide for themselves.
 366.10 The minimum standard of assistance determines the total amount of the general assistance
 366.11 grant without separate standards for shelter, utilities, or other needs.

366.12 (b) ~~The commissioner shall set the standard of assistance for an assistance unit consisting~~
 366.13 ~~of an adult a recipient who is childless and unmarried or living apart from children and~~
 366.14 ~~spouse and who does not live with a parent or parents or a legal custodian is the cash portion~~
 366.15 ~~of the MFIP transitional standard for a single adult under section 256J.24, subdivision 5.~~
 366.16 ~~When the other standards specified in this subdivision increase, this standard must also be~~
 366.17 ~~increased by the same percentage.~~

366.18 (c) For an assistance unit consisting of a single adult who lives with a parent or parents,
 366.19 the general assistance standard of assistance is ~~the amount that the aid to families with~~
 366.20 ~~dependent children standard of assistance, in effect on July 16, 1996, would increase if the~~
 366.21 ~~recipient were added as an additional minor child to an assistance unit consisting of the~~
 366.22 ~~recipient's parent and all of that parent's family members, except that the standard may not~~
 366.23 ~~exceed the standard for a general assistance recipient living alone~~ is the cash portion of the
 366.24 MFIP transitional standard for a single adult under section 256J.24, subdivision 5. Benefits
 366.25 received by a responsible relative of the assistance unit under the Supplemental Security
 366.26 Income program, a workers' compensation program, the Minnesota supplemental aid program,
 366.27 or any other program based on the responsible relative's disability, and any benefits received
 366.28 by a responsible relative of the assistance unit under the Social Security retirement program,
 366.29 may not be counted in the determination of eligibility or benefit level for the assistance unit.
 366.30 Except as provided below, the assistance unit is ineligible for general assistance if the
 366.31 available resources or the countable income of the assistance unit and the parent or parents
 366.32 with whom the assistance unit lives are such that a family consisting of the assistance unit's
 366.33 parent or parents, the parent or parents' other family members and the assistance unit as the
 366.34 only or additional minor child would be financially ineligible for general assistance. For

367.1 the purposes of calculating the countable income of the assistance unit's parent or parents,
367.2 the calculation methods must follow the provisions under section 256P.06.

367.3 (d) For an assistance unit consisting of a childless couple, the standards of assistance
367.4 are the same as the first and second adult standards of the aid to families with dependent
367.5 children program in effect on July 16, 1996. If one member of the couple is not included in
367.6 the general assistance grant, the standard of assistance for the other is the second adult
367.7 standard of the aid to families with dependent children program as of July 16, 1996.

367.8 Sec. 2. Minnesota Statutes 2022, section 256D.024, subdivision 1, is amended to read:

367.9 Subdivision 1. **Person convicted of drug offenses.** ~~(a) If An applicant or recipient~~
367.10 ~~individual who has been convicted of a felony-level drug offense after July 1, 1997, the~~
367.11 ~~assistance unit is ineligible for benefits under this chapter until five years after the applicant~~
367.12 ~~has completed terms of the court-ordered sentence, unless the person is participating in a~~
367.13 ~~drug treatment program, has successfully completed a drug treatment program, or has been~~
367.14 ~~assessed by the county and determined not to be in need of a drug treatment program. Persons~~
367.15 ~~subject to the limitations of this subdivision who become eligible for assistance under this~~
367.16 ~~chapter shall~~ during the previous ten years from the date of application or recertification
367.17 may be subject to random drug testing as a condition of continued eligibility and shall lose
367.18 eligibility for benefits for five years beginning the month following. The county must
367.19 provide information about substance use disorder treatment programs to a person who tests
367.20 positive for an illegal controlled substance.

367.21 ~~(1) Any positive test result for an illegal controlled substance; or~~

367.22 ~~(2) discharge of sentence after conviction for another drug felony.~~

367.23 (b) For the purposes of this subdivision, "drug offense" means a conviction that occurred
367.24 ~~after July 1, 1997,~~ during the previous ten years from the date of application or recertification
367.25 of sections 152.021 to 152.025, 152.0261, 152.0262, or 152.096. Drug offense also means
367.26 a conviction in another jurisdiction of the possession, use, or distribution of a controlled
367.27 substance, or conspiracy to commit any of these offenses, if the ~~offense~~ conviction occurred
367.28 ~~after July 1, 1997,~~ during the previous ten years from the date of application or recertification
367.29 and the conviction is a felony offense in that jurisdiction, or in the case of New Jersey, a
367.30 high misdemeanor.

367.31 **EFFECTIVE DATE.** This section is effective August 1, 2023.

368.1 Sec. 3. Minnesota Statutes 2022, section 256D.06, subdivision 5, is amended to read:

368.2 Subd. 5. **Eligibility; requirements.** (a) Any applicant, otherwise eligible for general
368.3 assistance and possibly eligible for maintenance benefits from any other source shall (1)
368.4 make application for those benefits within ~~30~~90 days of the general assistance application;
368.5 and (2) execute an interim assistance agreement on a form as directed by the commissioner.

368.6 (b) The commissioner shall review a denial of an application for other maintenance
368.7 benefits and may require a recipient of general assistance to file an appeal of the denial if
368.8 appropriate. If found eligible for benefits from other sources, and a payment received from
368.9 another source relates to the period during which general assistance was also being received,
368.10 the recipient shall be required to reimburse the county agency for the interim assistance
368.11 paid. Reimbursement shall not exceed the amount of general assistance paid during the time
368.12 period to which the other maintenance benefits apply and shall not exceed the state standard
368.13 applicable to that time period.

368.14 (c) The commissioner may contract with the county agencies, qualified agencies,
368.15 organizations, or persons to provide advocacy and support services to process claims for
368.16 federal disability benefits for applicants or recipients of services or benefits supervised by
368.17 the commissioner using money retained under this section.

368.18 (d) The commissioner may provide methods by which county agencies shall identify,
368.19 refer, and assist recipients who may be eligible for benefits under federal programs for
368.20 people with a disability.

368.21 (e) The total amount of interim assistance recoveries retained under this section for
368.22 advocacy, support, and claim processing services shall not exceed 35 percent of the interim
368.23 assistance recoveries in the prior fiscal year.

368.24 Sec. 4. Minnesota Statutes 2022, section 256D.44, subdivision 5, is amended to read:

368.25 Subd. 5. **Special needs.** (a) In addition to the state standards of assistance established
368.26 in subdivisions 1 to 4, payments are allowed for the following special needs of recipients
368.27 of Minnesota supplemental aid who are not residents of a nursing home, a regional treatment
368.28 center, or a setting authorized to receive housing support payments under chapter 256I.

368.29 (b) The county agency shall pay a monthly allowance for medically prescribed diets if
368.30 the cost of those additional dietary needs cannot be met through some other maintenance
368.31 benefit. The need for special diets or dietary items must be prescribed by a licensed physician,
368.32 advanced practice registered nurse, or physician assistant. Costs for special diets shall be
368.33 determined as percentages of the allotment for a one-person household under the thrifty

369.1 food plan as defined by the United States Department of Agriculture. The types of diets and
369.2 the percentages of the thrifty food plan that are covered are as follows:

369.3 (1) high protein diet, at least 80 grams daily, 25 percent of thrifty food plan;

369.4 (2) controlled protein diet, 40 to 60 grams and requires special products, 100 percent of
369.5 thrifty food plan;

369.6 (3) controlled protein diet, less than 40 grams and requires special products, 125 percent
369.7 of thrifty food plan;

369.8 (4) low cholesterol diet, 25 percent of thrifty food plan;

369.9 (5) high residue diet, 20 percent of thrifty food plan;

369.10 (6) pregnancy and lactation diet, 35 percent of thrifty food plan;

369.11 (7) gluten-free diet, 25 percent of thrifty food plan;

369.12 (8) lactose-free diet, 25 percent of thrifty food plan;

369.13 (9) antidumping diet, 15 percent of thrifty food plan;

369.14 (10) hypoglycemic diet, 15 percent of thrifty food plan; or

369.15 (11) ketogenic diet, 25 percent of thrifty food plan.

369.16 (c) Payment for nonrecurring special needs must be allowed for necessary home repairs
369.17 or necessary repairs or replacement of household furniture and appliances using the payment
369.18 standard of the AFDC program in effect on July 16, 1996, for these expenses, as long as
369.19 other funding sources are not available.

369.20 (d) A fee for guardian or conservator service is allowed at a reasonable rate negotiated
369.21 by the county or approved by the court. This rate shall not exceed five percent of the
369.22 assistance unit's gross monthly income up to a maximum of \$100 per month. If the guardian
369.23 or conservator is a member of the county agency staff, no fee is allowed.

369.24 (e) The county agency shall continue to pay a monthly allowance of \$68 for restaurant
369.25 meals for a person who was receiving a restaurant meal allowance on June 1, 1990, and
369.26 who eats two or more meals in a restaurant daily. The allowance must continue until the
369.27 person has not received Minnesota supplemental aid for one full calendar month or until
369.28 the person's living arrangement changes and the person no longer meets the criteria for the
369.29 restaurant meal allowance, whichever occurs first.

369.30 (f) A fee of ten percent of the recipient's gross income or \$25, whichever is less, equal
369.31 to the maximum monthly amount allowed by the Social Security Administration is allowed

370.1 for representative payee services provided by an agency that meets the requirements under
370.2 SSI regulations to charge a fee for representative payee services. This special need is available
370.3 to all recipients of Minnesota supplemental aid regardless of their living arrangement.

370.4 (g)(1) Notwithstanding the language in this subdivision, an amount equal to one-half of
370.5 the maximum federal Supplemental Security Income payment amount for a single individual
370.6 which is in effect on the first day of July of each year will be added to the standards of
370.7 assistance established in subdivisions 1 to 4 for adults under the age of 65 who qualify as
370.8 in need of housing assistance and are:

370.9 (i) relocating from an institution, a setting authorized to receive housing support under
370.10 chapter 256I, or an adult mental health residential treatment program under section
370.11 256B.0622;

370.12 (ii) eligible for personal care assistance under section 256B.0659; or

370.13 (iii) home and community-based waiver recipients living in their own home or rented
370.14 or leased apartment.

370.15 (2) Notwithstanding subdivision 3, paragraph (c), an individual eligible for the shelter
370.16 needy benefit under this paragraph is considered a household of one. An eligible individual
370.17 who receives this benefit prior to age 65 may continue to receive the benefit after the age
370.18 of 65.

370.19 (3) "Housing assistance" means that the assistance unit incurs monthly shelter costs that
370.20 exceed 40 percent of the assistance unit's gross income before the application of this special
370.21 needs standard. "Gross income" for the purposes of this section is the applicant's or recipient's
370.22 income as defined in section 256D.35, subdivision 10, or the standard specified in subdivision
370.23 3, paragraph (a) or (b), whichever is greater. A recipient of a federal or state housing subsidy,
370.24 that limits shelter costs to a percentage of gross income, shall not be considered in need of
370.25 housing assistance for purposes of this paragraph.

370.26 **EFFECTIVE DATE.** This section is effective January 1, 2024.

370.27 Sec. 5. Minnesota Statutes 2022, section 256I.03, subdivision 7, is amended to read:

370.28 Subd. 7. **Countable income.** (a) "Countable income" means all income received by an
370.29 applicant or recipient as described under section 256P.06, less any applicable exclusions or
370.30 disregards. ~~For a recipient of any cash benefit from the SSI program, countable income~~
370.31 ~~means the SSI benefit limit in effect at the time the person is a recipient of housing support,~~
370.32 ~~less the medical assistance personal needs allowance under section 256B.35. If the SSI limit~~

371.1 ~~or benefit is reduced for a person due to events other than receipt of additional income,~~
 371.2 ~~countable income means actual income less any applicable exclusions and disregards.~~

371.3 (b) For a recipient of any cash benefit from the SSI program who does not live in a
 371.4 setting described in section 256I.04, subdivision 2a, paragraph (b), clause (2), countable
 371.5 income equals the SSI benefit limit in effect at the time the person is a recipient of housing
 371.6 support, less the personal needs allowance under section 256B.35. If the SSI limit or benefit
 371.7 is reduced for a person due to events other than receipt of additional income, countable
 371.8 income equals actual income less any applicable exclusions and disregards.

371.9 (c) For a recipient of any cash benefit from the SSI program who lives in a setting as
 371.10 described in section 256I.04, subdivision 2a, paragraph (b), clause (2), countable income
 371.11 equals 30 percent of the SSI benefit limit in effect at the time a person is a recipient of
 371.12 housing support. If the SSI limit or benefit is reduced for a person due to events other than
 371.13 receipt of additional income, countable income equals 30 percent of the actual income less
 371.14 any applicable exclusions and disregards. For recipients under this paragraph, the personal
 371.15 needs allowance described in section 256B.35 does not apply.

371.16 (d) Notwithstanding the earned income disregard described in section 256P.03, for a
 371.17 recipient of unearned income as defined in section 256P.06, subdivision 3, clause (2), other
 371.18 than SSI and the general assistance personal needs allowance who lives in a setting described
 371.19 in section 256I.04, subdivision 2a, paragraph (b), clause (2), countable income equals 30
 371.20 percent of the recipient's total income after applicable exclusions and disregards. Total
 371.21 income includes any unearned income as defined in section 256P.06 and any earned income
 371.22 in the month the person is a recipient of housing support. For recipients under this paragraph,
 371.23 the personal needs allowance described in section 256B.35 does not apply.

371.24 (e) For a recipient who lives in a setting as described in section 256I.04, subdivision 2a,
 371.25 paragraph (b), clause (2), and receives general assistance, the personal needs allowance
 371.26 described in section 256B.35 is not countable unearned income.

371.27 **EFFECTIVE DATE.** This section is effective October 1, 2024.

371.28 Sec. 6. Minnesota Statutes 2022, section 256J.26, subdivision 1, is amended to read:

371.29 Subdivision 1. **Person convicted of drug offenses.** (a) An individual who has been
 371.30 convicted of a felony level drug offense ~~committed~~ during the previous ten years from the
 371.31 date of application or recertification is subject to the following:

371.32 (1) Benefits for the entire assistance unit must be paid in vendor form for shelter and
 371.33 utilities during any time the applicant is part of the assistance unit.

372.1 (2) The convicted applicant or participant ~~shall~~ may be subject to random drug testing
372.2 ~~as a condition of continued eligibility and.~~ Following any positive test for an illegal controlled
372.3 ~~substance is subject to the following sanctions:~~, the county must provide information about
372.4 substance use disorder treatment programs to the applicant or participant.

372.5 (i) ~~for failing a drug test the first time, the residual amount of the participant's grant after~~
372.6 ~~making vendor payments for shelter and utility costs, if any, must be reduced by an amount~~
372.7 ~~equal to 30 percent of the MFIP standard of need for an assistance unit of the same size.~~
372.8 ~~When a sanction under this subdivision is in effect, the job counselor must attempt to meet~~
372.9 ~~with the person face-to-face. During the face-to-face meeting, the job counselor must explain~~
372.10 ~~the consequences of a subsequent drug test failure and inform the participant of the right to~~
372.11 ~~appeal the sanction under section 256J.40. If a face-to-face meeting is not possible, the~~
372.12 ~~county agency must send the participant a notice of adverse action as provided in section~~
372.13 ~~256J.31, subdivisions 4 and 5, and must include the information required in the face-to-face~~
372.14 ~~meeting; or~~

372.15 (ii) ~~for failing a drug test two times, the participant is permanently disqualified from~~
372.16 ~~receiving MFIP assistance, both the cash and food portions. The assistance unit's MFIP~~
372.17 ~~grant must be reduced by the amount which would have otherwise been made available to~~
372.18 ~~the disqualified participant. Disqualification under this item does not make a participant~~
372.19 ~~ineligible for the Supplemental Nutrition Assistance Program (SNAP). Before a~~
372.20 ~~disqualification under this provision is imposed, the job counselor must attempt to meet~~
372.21 ~~with the participant face-to-face. During the face-to-face meeting, the job counselor must~~
372.22 ~~identify other resources that may be available to the participant to meet the needs of the~~
372.23 ~~family and inform the participant of the right to appeal the disqualification under section~~
372.24 ~~256J.40. If a face-to-face meeting is not possible, the county agency must send the participant~~
372.25 ~~a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must~~
372.26 ~~include the information required in the face-to-face meeting.~~

372.27 (3) ~~A participant who fails a drug test the first time and is under a sanction due to other~~
372.28 ~~MFIP program requirements is considered to have more than one occurrence of~~
372.29 ~~noncompliance and is subject to the applicable level of sanction as specified under section~~
372.30 ~~256J.46, subdivision 1, paragraph (d).~~

372.31 (b) Applicants requesting only SNAP benefits or participants receiving only SNAP
372.32 benefits, who have been convicted of a felony-level drug offense that occurred after July
372.33 1, 1997, during the previous ten years from the date of application or recertification may,
372.34 if otherwise eligible, receive SNAP benefits if. The convicted applicant or participant is
372.35 may be subject to random drug testing as a condition of continued eligibility. Following a

373.1 positive test for an illegal controlled substance, the ~~applicant is subject to the following~~
 373.2 ~~sanctions:~~ county must provide information about substance use disorder treatment programs
 373.3 to the applicant or participant.

373.4 ~~(1) for failing a drug test the first time, SNAP benefits shall be reduced by an amount~~
 373.5 ~~equal to 30 percent of the applicable SNAP benefit allotment. When a sanction under this~~
 373.6 ~~clause is in effect, a job counselor must attempt to meet with the person face-to-face. During~~
 373.7 ~~the face-to-face meeting, a job counselor must explain the consequences of a subsequent~~
 373.8 ~~drug test failure and inform the participant of the right to appeal the sanction under section~~
 373.9 ~~256J.40. If a face-to-face meeting is not possible, a county agency must send the participant~~
 373.10 ~~a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must~~
 373.11 ~~include the information required in the face-to-face meeting; and~~

373.12 ~~(2) for failing a drug test two times, the participant is permanently disqualified from~~
 373.13 ~~receiving SNAP benefits. Before a disqualification under this provision is imposed, a job~~
 373.14 ~~counselor must attempt to meet with the participant face-to-face. During the face-to-face~~
 373.15 ~~meeting, the job counselor must identify other resources that may be available to the~~
 373.16 ~~participant to meet the needs of the family and inform the participant of the right to appeal~~
 373.17 ~~the disqualification under section 256J.40. If a face-to-face meeting is not possible, a county~~
 373.18 ~~agency must send the participant a notice of adverse action as provided in section 256J.31,~~
 373.19 ~~subdivisions 4 and 5, and must include the information required in the face-to-face meeting.~~

373.20 (c) For the purposes of this subdivision, "drug offense" means ~~an offense~~ a conviction
 373.21 that occurred during the previous ten years from the date of application or recertification
 373.22 of sections 152.021 to 152.025, 152.0261, 152.0262, 152.096, or 152.137. Drug offense
 373.23 also means a conviction in another jurisdiction of the possession, use, or distribution of a
 373.24 controlled substance, or conspiracy to commit any of these offenses, if the ~~offense~~ conviction
 373.25 occurred during the previous ten years from the date of application or recertification and
 373.26 the conviction is a felony offense in that jurisdiction, or in the case of New Jersey, a high
 373.27 misdemeanor.

373.28 **EFFECTIVE DATE.** This section is effective August 1, 2023.

373.29 Sec. 7. Minnesota Statutes 2022, section 256P.01, is amended by adding a subdivision to
 373.30 read:

373.31 **Subd. 5a. Lived-experience engagement.** "Lived-experience engagement" means an
 373.32 intentional engagement of people with lived experience by a federal, Tribal, state, county,
 373.33 municipal, or nonprofit human services agency funded in part or in whole by federal, state,

374.1 local government, Tribal Nation, public, private, or philanthropic funds to gather and share
374.2 feedback on the impact of human services programs.

374.3 Sec. 8. Minnesota Statutes 2022, section 256P.02, is amended by adding a subdivision to
374.4 read:

374.5 Subd. 4. **Health and human services recipient engagement income.** Income received
374.6 from lived-experience engagement, as defined in section 256P.01, subdivision 6, shall be
374.7 excluded when determining the equity value of personal property.

374.8 Sec. 9. Minnesota Statutes 2022, section 256P.06, is amended by adding a subdivision to
374.9 read:

374.10 Subd. 4. **Recipient engagement income.** Income received from lived-experience
374.11 engagement, as defined in section 256P.01, subdivision 5a, must not be counted as income
374.12 for purposes of determining or redetermining eligibility or benefits.

374.13 Sec. 10. Minnesota Statutes 2022, section 609B.425, subdivision 2, is amended to read:

374.14 Subd. 2. **Benefit eligibility.** (a) For general assistance benefits and Minnesota
374.15 supplemental aid under chapter 256D, a person convicted of a felony-level drug offense
374.16 after July 1, 1997, is ineligible for general assistance benefits and Supplemental Security
374.17 Income under chapter 256D until: during the previous ten years from the date of application
374.18 or recertification may be subject to random drug testing. The county must provide information
374.19 about substance use disorder treatment programs to a person who tests positive for an illegal
374.20 controlled substance.

374.21 ~~(1) five years after completing the terms of a court-ordered sentence; or~~

374.22 ~~(2) unless the person is participating in a drug treatment program, has successfully~~
374.23 ~~completed a program, or has been determined not to be in need of a drug treatment program.~~

374.24 ~~(b) A person who becomes eligible for assistance under chapter 256D is subject to~~
374.25 ~~random drug testing and shall lose eligibility for benefits for five years beginning the month~~
374.26 ~~following:~~

374.27 ~~(1) any positive test for an illegal controlled substance; or~~

374.28 ~~(2) discharge of sentence for conviction of another drug felony.~~

374.29 ~~(e)~~ (b) Parole violators and fleeing felons are ineligible for benefits and persons
374.30 fraudulently misrepresenting eligibility are also ineligible to receive benefits for ten years.

375.1 **EFFECTIVE DATE.** This section is effective August 1, 2023.

375.2 Sec. 11. Minnesota Statutes 2022, section 609B.435, subdivision 2, is amended to read:

375.3 Subd. 2. **Drug offenders; random testing; sanctions.** A person who is an applicant for
 375.4 benefits from the Minnesota family investment program or MFIP, the vehicle for temporary
 375.5 assistance for needy families or TANF, and who has been convicted of a felony-level drug
 375.6 offense ~~shall~~ may be subject to ~~certain conditions, including~~ random drug testing, ~~in order~~
 375.7 ~~to receive MFIP benefits.~~ Following any positive test for a controlled substance, the ~~convicted~~
 375.8 ~~applicant or participant is subject to the following sanctions:~~ county must provide information
 375.9 about substance use disorder treatment programs to the applicant or participant.

375.10 ~~(1) a first time drug test failure results in a reduction of benefits in an amount equal to~~
 375.11 ~~30 percent of the MFIP standard of need; and~~

375.12 ~~(2) a second time drug test failure results in permanent disqualification from receiving~~
 375.13 ~~MFIP assistance.~~

375.14 ~~A similar disqualification sequence occurs if the applicant is receiving Supplemental Nutrition~~
 375.15 ~~Assistance Program (SNAP) benefits.~~

375.16 **EFFECTIVE DATE.** This section is effective August 1, 2023.

375.17 **ARTICLE 11**

375.18 **ECONOMIC ASSISTANCE**

375.19 Section 1. Minnesota Statutes 2022, section 119B.025, subdivision 4, is amended to read:

375.20 Subd. 4. **Changes in eligibility.** (a) The county shall process a change in eligibility
 375.21 factors according to paragraphs (b) to (g).

375.22 (b) A family is subject to the reporting requirements in section 256P.07, subdivision 6.

375.23 (c) If a family reports a change or a change is known to the agency before the family's
 375.24 regularly scheduled redetermination, the county must act on the change. The commissioner
 375.25 shall establish standards for verifying a change.

375.26 (d) A change in income occurs on the day the participant received the first payment
 375.27 reflecting the change in income.

375.28 (e) During a family's 12-month eligibility period, if the family's income increases and
 375.29 remains at or below 85 percent of the state median income, adjusted for family size, there
 375.30 is no change to the family's eligibility. The county shall not request verification of the

376.1 change. The co-payment fee shall not increase during the remaining portion of the family's
376.2 12-month eligibility period.

376.3 (f) During a family's 12-month eligibility period, if the family's income increases and
376.4 exceeds 85 percent of the state median income, adjusted for family size, the family is not
376.5 eligible for child care assistance. The family must be given 15 calendar days to provide
376.6 verification of the change. If the required verification is not returned or confirms ineligibility,
376.7 the family's eligibility ends following a subsequent 15-day adverse action notice.

376.8 (g) Notwithstanding Minnesota Rules, parts 3400.0040, subpart 3, and 3400.0170,
376.9 subpart 1, if an applicant or participant reports that employment ended, the agency may
376.10 accept a signed statement from the applicant or participant as verification that employment
376.11 ended.

376.12 **EFFECTIVE DATE.** This section is effective March 1, 2025.

376.13 Sec. 2. Minnesota Statutes 2022, section 256D.03, is amended by adding a subdivision to
376.14 read:

376.15 Subd. 2b. **Budgeting and reporting.** Every county agency shall determine eligibility
376.16 and calculate benefit amounts for general assistance according to chapter 256P.

376.17 **EFFECTIVE DATE.** This section is effective March 1, 2025.

376.18 Sec. 3. Minnesota Statutes 2022, section 256D.63, subdivision 2, is amended to read:

376.19 Subd. 2. **SNAP reporting requirements.** The commissioner of human services shall
376.20 implement simplified reporting as permitted under the Food and Nutrition Act of 2008, as
376.21 amended, and the SNAP regulations in Code of Federal Regulations, title 7, part 273. SNAP
376.22 benefit recipient households required to report periodically shall not be required to report
376.23 more often than one time every six months. ~~This provision shall not apply to households~~
376.24 ~~receiving food benefits under the Minnesota family investment program waiver.~~

376.25 **EFFECTIVE DATE.** This section is effective March 1, 2025.

376.26 Sec. 4. Minnesota Statutes 2022, section 256E.34, subdivision 4, is amended to read:

376.27 Subd. 4. **Use of money.** At least 96 percent of the money distributed to Hunger Solutions
376.28 under this section must be distributed to food shelf programs to purchase, transport, and
376.29 coordinate the distribution of nutritious food to needy individuals and families. The money
376.30 distributed to food shelf programs may also be used to purchase personal hygiene products,
376.31 including but not limited to diapers and toilet paper. No more than four percent of the money

377.1 may be expended for other expenses, such as rent, salaries, and other administrative expenses
377.2 of Hunger Solutions.

377.3 **Sec. 5. [256E.342] AMERICAN INDIAN FOOD SOVEREIGNTY FUNDING**
377.4 **PROGRAM.**

377.5 **Subdivision 1. Establishment.** The American Indian food sovereignty funding program
377.6 is established to improve access and equity to food security programs within Tribal and
377.7 American Indian communities. The program shall assist Tribal Nations and American Indian
377.8 communities in achieving self-determination and improve collaboration and partnership
377.9 building between American Indian communities and the state. The commissioner of human
377.10 services shall administer the program and provide outreach, technical assistance, and program
377.11 development support to increase food security for American Indians.

377.12 **Subd. 2. Distribution of funding.** (a) The commissioner shall provide funding to support
377.13 food system changes and provide equitable access to existing and new methods of food
377.14 support for American Indian communities. The commissioner shall determine the timing
377.15 and form of the application for the program.

377.16 **(b) Eligible recipients of funding under this section include:**

377.17 **(1) federally recognized American Indian Tribes or bands in Minnesota as defined in**
377.18 **section 10.65; or**

377.19 **(2) nonprofit organizations or fiscal sponsors with a majority American Indian board of**
377.20 **directors.**

377.21 **(c) Funding for American Indian Tribes or bands must be allocated by a formula**
377.22 **determined by the commissioner. Funding for nonprofit organizations or fiscal sponsors**
377.23 **must be awarded through a competitive grant process.**

377.24 **Subd. 3. Allowable uses of funds.** Recipients shall use funds provided under this section
377.25 to promote food security for American Indian communities by:

377.26 **(1) planning for sustainable food systems;**

377.27 **(2) implementing food security programs, including but not limited to technology to**
377.28 **facilitate no-contact or low-contact food distribution and outreach models;**

377.29 **(3) providing culturally relevant training for building food access;**

377.30 **(4) purchasing, producing, processing, transporting, storing, and coordinating the**
377.31 **distribution of food, including culturally relevant food; and**

378.1 (5) purchasing seeds, plants, equipment, or materials to preserve, procure, or grow food.

378.2 Subd. 4. **Reporting.** Recipients shall report on the use of American Indian food
 378.3 sovereignty funding program money under this section to the commissioner.

378.4 The commissioner shall determine the timing and form required for the reports.

378.5 Sec. 6. Minnesota Statutes 2022, section 256E.35, subdivision 1, is amended to read:

378.6 Subdivision 1. **Establishment.** The Minnesota family assets for independence initiative
 378.7 is established to provide incentives for low-income families to accrue assets for education,
 378.8 housing, vehicles, emergencies, and economic development purposes.

378.9 Sec. 7. Minnesota Statutes 2022, section 256E.35, subdivision 2, is amended to read:

378.10 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

378.11 (b) "Eligible educational institution" means the following:

378.12 (1) an institution of higher education described in section 101 or 102 of the Higher
 378.13 Education Act of 1965; or

378.14 (2) an area vocational education school, as defined in subparagraph (C) or (D) of United
 378.15 States Code, title 20, chapter 44, section 2302 (3) (the Carl D. Perkins Vocational and
 378.16 Applied Technology Education Act), which is located within any state, as defined in United
 378.17 States Code, title 20, chapter 44, section 2302 (30). This clause is applicable only to the
 378.18 extent section 2302 is in effect on August 1, 2008.

378.19 (c) "Family asset account" means a savings account opened by a household participating
 378.20 in the Minnesota family assets for independence initiative.

378.21 (d) "Fiduciary organization" means:

378.22 (1) a community action agency that has obtained recognition under section 256E.31;

378.23 (2) a federal community development credit union ~~serving the seven-county metropolitan~~
 378.24 ~~area; or~~

378.25 (3) a women-oriented economic development agency ~~serving the seven-county~~
 378.26 ~~metropolitan area;~~

378.27 (4) a federally recognized Tribal Nation; or

378.28 (5) a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue
 378.29 Code.

379.1 (e) "Financial coach" means a person who:

379.2 (1) has completed an intensive financial literacy training workshop that includes
379.3 curriculum on budgeting to increase savings, debt reduction and asset building, building a
379.4 good credit rating, and consumer protection;

379.5 (2) participates in ongoing statewide family assets for independence in Minnesota (FAIM)
379.6 network training meetings under FAIM program supervision; and

379.7 (3) provides financial coaching to program participants under subdivision 4a.

379.8 (f) "Financial institution" means a bank, bank and trust, savings bank, savings association,
379.9 or credit union, the deposits of which are insured by the Federal Deposit Insurance
379.10 Corporation or the National Credit Union Administration.

379.11 (g) "Household" means all individuals who share use of a dwelling unit as primary
379.12 quarters for living and eating separate from other individuals.

379.13 (h) "Permissible use" means:

379.14 (1) postsecondary educational expenses at an eligible educational institution as defined
379.15 in paragraph (b), including books, supplies, and equipment required for courses of instruction;

379.16 (2) acquisition costs of acquiring, constructing, or reconstructing a residence, including
379.17 any usual or reasonable settlement, financing, or other closing costs;

379.18 (3) business capitalization expenses for expenditures on capital, plant, equipment, working
379.19 capital, and inventory expenses of a legitimate business pursuant to a business plan approved
379.20 by the fiduciary organization;

379.21 (4) acquisition costs of a principal residence within the meaning of section 1034 of the
379.22 Internal Revenue Code of 1986 which do not exceed 100 percent of the average area purchase
379.23 price applicable to the residence determined according to section 143(e)(2) and (3) of the
379.24 Internal Revenue Code of 1986; ~~and~~

379.25 (5) acquisition costs of a personal vehicle only if approved by the fiduciary organization;

379.26 (6) contributions to an emergency savings account; and

379.27 (7) contributions to a Minnesota 529 savings plan.

379.28 Sec. 8. Minnesota Statutes 2022, section 256E.35, subdivision 3, is amended to read:

379.29 Subd. 3. **Grants awarded.** The commissioner shall allocate funds to participating
379.30 fiduciary organizations to provide family asset services. Grant awards must be based on a
379.31 plan submitted by a statewide organization representing fiduciary organizations. The

380.1 statewide organization must ensure that any interested unrepresented fiduciary organization
380.2 have input into the development of the plan. The plan must equitably distribute funds to
380.3 achieve geographic balance and document the capacity of participating fiduciary
380.4 organizations to manage the program. A portion of funds appropriated for this section may
380.5 be expended on evaluation of the Minnesota family assets for independence initiative.

380.6 Sec. 9. Minnesota Statutes 2022, section 256E.35, subdivision 4a, is amended to read:

380.7 Subd. 4a. **Financial coaching.** A financial coach shall provide the following to program
380.8 participants:

380.9 (1) financial education relating to budgeting, debt reduction, asset-specific training,
380.10 credit building, and financial stability activities;

380.11 (2) asset-specific training related to buying a home or vehicle, acquiring postsecondary
380.12 education, ~~or starting or expanding a small business~~, saving for emergencies, or saving for
380.13 a child's education; and

380.14 (3) financial stability education and training to improve and sustain financial security.

380.15 Sec. 10. Minnesota Statutes 2022, section 256E.35, subdivision 6, is amended to read:

380.16 Subd. 6. **Withdrawal; matching; permissible uses.** (a) To receive a match, a
380.17 participating household must transfer funds withdrawn from a family asset account to its
380.18 matching fund custodial account held by the fiscal agent, according to the family asset
380.19 agreement. The fiscal agent must determine if the match request is for a permissible use
380.20 consistent with the household's family asset agreement.

380.21 (b) The fiscal agent must ensure the household's custodial account contains the applicable
380.22 matching funds to match the balance in the household's account, including interest, on at
380.23 least a quarterly basis and at the time of an approved withdrawal. Matches must be a
380.24 contribution of \$3 from state grant or TANF funds for every \$1 of funds withdrawn from
380.25 the family asset account not to exceed a ~~\$6,000~~ \$12,000 lifetime limit.

380.26 (c) Notwithstanding paragraph (b), if funds are appropriated for the Federal Assets for
380.27 Independence Act of 1998, and a participating fiduciary organization is awarded a grant
380.28 under that act, participating households with that fiduciary organization must be provided
380.29 matches as follows:

380.30 (1) from state grant and TANF funds, a matching contribution of \$1.50 for every \$1 of
380.31 funds withdrawn from the family asset account not to exceed a ~~\$3,000~~ \$6,000 lifetime limit;
380.32 and

381.1 (2) from nonstate funds, a matching contribution of not less than \$1.50 for every \$1 of
 381.2 funds withdrawn from the family asset account not to exceed a ~~\$3,000~~ \$6,000 lifetime limit.

381.3 (d) Upon receipt of transferred custodial account funds, the fiscal agent must make a
 381.4 direct payment to the vendor of the goods or services for the permissible use.

381.5 Sec. 11. Minnesota Statutes 2022, section 256E.35, subdivision 7, is amended to read:

381.6 Subd. 7. **Program reporting.** The fiscal agent on behalf of each fiduciary organization
 381.7 participating in a family assets for independence initiative must report quarterly to the
 381.8 commissioner of human services identifying the participants with accounts; the number of
 381.9 accounts; the amount of savings and matches for each participant's account; the uses of
 381.10 the account, ~~and~~; the number of businesses, homes, vehicles, and educational services paid
 381.11 for with money from the account; and the amount of contributions to Minnesota 529 savings
 381.12 plans and emergency savings accounts, as well as other information that may be required
 381.13 for the commissioner to administer the program and meet federal TANF reporting
 381.14 requirements.

381.15 Sec. 12. Minnesota Statutes 2022, section 256I.03, subdivision 13, is amended to read:

381.16 Subd. 13. **Prospective budgeting.** "Prospective budgeting" ~~means estimating the amount~~
 381.17 ~~of monthly income a person will have in the payment month~~ has the meaning given in
 381.18 section 256P.01, subdivision 9.

381.19 **EFFECTIVE DATE.** This section is effective March 1, 2025.

381.20 Sec. 13. Minnesota Statutes 2022, section 256I.06, subdivision 6, is amended to read:

381.21 Subd. 6. **Reports.** Recipients must report changes in circumstances according to section
 381.22 256P.07 ~~that affect eligibility or housing support payment amounts, other than changes in~~
 381.23 ~~earned income, within ten days of the change.~~ Recipients with countable earned income
 381.24 must complete a household report form ~~at least~~ once every six months according to section
 381.25 256P.10. ~~If the report form is not received before the end of the month in which it is due,~~
 381.26 ~~the county agency must terminate eligibility for housing support payments. The termination~~
 381.27 ~~shall be effective on the first day of the month following the month in which the report was~~
 381.28 ~~due. If a complete report is received within the month eligibility was terminated, the~~
 381.29 ~~individual is considered to have continued an application for housing support payment~~
 381.30 ~~effective the first day of the month the eligibility was terminated.~~

381.31 **EFFECTIVE DATE.** This section is effective March 1, 2025.

382.1 Sec. 14. Minnesota Statutes 2022, section 256I.06, is amended by adding a subdivision
382.2 to read:

382.3 Subd. 6a. **When to terminate assistance.** An agency must terminate benefits when the
382.4 assistance unit fails to submit the household report form before the end of the month in
382.5 which it is due. The termination shall be effective on the first day of the month following
382.6 the month in which the report was due. If the assistance unit submits the household report
382.7 form within 30 days of the termination of benefits and remains eligible, benefits must be
382.8 reinstated and made available retroactively for the full benefit month.

382.9 **EFFECTIVE DATE.** This section is effective March 1, 2025.

382.10 Sec. 15. Minnesota Statutes 2022, section 256I.06, subdivision 8, is amended to read:

382.11 Subd. 8. **Amount of housing support payment.** (a) The amount of a room and board
382.12 payment to be made on behalf of an eligible individual is determined by subtracting the
382.13 individual's countable income under section 256I.04, subdivision 1, for a whole calendar
382.14 month from the room and board rate for that same month. The housing support payment is
382.15 determined by multiplying the housing support rate times the period of time the individual
382.16 was a resident or temporarily absent under section 256I.05, subdivision 2a.

382.17 (b) For an individual with earned income under paragraph (a), prospective budgeting
382.18 according to section 256P.09 must be used to determine the amount of the individual's
382.19 payment for the following six-month period. An increase in income shall not affect an
382.20 individual's eligibility or payment amount until the month following the reporting month.
382.21 A decrease in income shall be effective the first day of the month after the month in which
382.22 the decrease is reported.

382.23 (c) For an individual who receives housing support payments under section 256I.04,
382.24 subdivision 1, paragraph (c), the amount of the housing support payment is determined by
382.25 multiplying the housing support rate times the period of time the individual was a resident.

382.26 **EFFECTIVE DATE.** This section is effective March 1, 2025.

382.27 Sec. 16. Minnesota Statutes 2022, section 256J.08, subdivision 71, is amended to read:

382.28 Subd. 71. **Prospective budgeting.** "Prospective budgeting" ~~means a method of~~
382.29 ~~determining the amount of the assistance payment in which the budget month and payment~~
382.30 ~~month are the same~~ has the meaning given in section 256P.01, subdivision 9.

382.31 **EFFECTIVE DATE.** This section is effective March 1, 2025.

383.1 Sec. 17. Minnesota Statutes 2022, section 256J.08, subdivision 79, is amended to read:

383.2 Subd. 79. **Recurring income.** "Recurring income" means a form of income which is:

383.3 (1) received periodically, and may be received irregularly when receipt can be anticipated
383.4 even though the date of receipt cannot be predicted; and

383.5 (2) from the same source or of the same type that is received and budgeted in a
383.6 prospective month ~~and is received in one or both of the first two retrospective months.~~

383.7 **EFFECTIVE DATE.** This section is effective March 1, 2025.

383.8 Sec. 18. Minnesota Statutes 2022, section 256J.11, subdivision 1, is amended to read:

383.9 Subdivision 1. **General citizenship requirements.** (a) To be eligible for MFIP, a member
383.10 of the assistance unit must be a citizen of the United States, a qualified noncitizen as defined
383.11 in section 256J.08, or a noncitizen who is otherwise residing lawfully in the United States.

383.12 (b) A qualified noncitizen who entered the United States on or after August 22, 1996,
383.13 is eligible for MFIP. However, TANF dollars cannot be used to fund the MFIP benefits for
383.14 an individual under this paragraph for a period of five years after the date of entry unless
383.15 the qualified noncitizen meets one of the following criteria:

383.16 (1) was admitted to the United States as a refugee under United States Code, title 8,
383.17 section 1157;

383.18 (2) was granted asylum under United States Code, title 8, section 1158;

383.19 (3) was granted withholding of deportation under the United States Code, title 8, section
383.20 1253(h);

383.21 (4) is a veteran of the United States armed forces with an honorable discharge for a
383.22 reason other than noncitizen status, or is a spouse or unmarried minor dependent child of
383.23 the same; or

383.24 (5) is an individual on active duty in the United States armed forces, other than for
383.25 training, or is a spouse or unmarried minor dependent child of the same.

383.26 (c) A person who is not a qualified noncitizen but who is otherwise residing lawfully in
383.27 the United States is eligible for MFIP. However, TANF dollars cannot be used to fund the
383.28 MFIP benefits for an individual under this paragraph.

383.29 (d) For purposes of this subdivision, a nonimmigrant in one or more of the classes listed
383.30 in United States Code, title 8, section 1101(a)(15)(A)-(S) and (V), or an undocumented

384.1 immigrant who resides in the United States without the approval or acquiescence of the
384.2 United States Citizenship and Immigration Services, is not eligible for MFIP.

384.3 Sec. 19. Minnesota Statutes 2022, section 256J.21, subdivision 3, is amended to read:

384.4 Subd. 3. **Initial income test.** (a) The agency shall determine initial eligibility by
384.5 considering all earned and unearned income as defined in section 256P.06. To be eligible
384.6 for MFIP, the assistance unit's countable income minus the earned income disregards in
384.7 paragraph (a) and section 256P.03 must be below the family wage level according to section
384.8 256J.24, subdivision 7, for that size assistance unit.

384.9 ~~(a)~~ (b) The initial eligibility determination must disregard the following items:

384.10 (1) the earned income disregard as determined in section 256P.03;

384.11 (2) dependent care costs must be deducted from gross earned income for the actual
384.12 amount paid for dependent care up to a maximum of \$200 per month for each child less
384.13 than two years of age, and \$175 per month for each child two years of age and older;

384.14 (3) all payments made according to a court order for spousal support or the support of
384.15 children not living in the assistance unit's household shall be disregarded from the income
384.16 of the person with the legal obligation to pay support; and

384.17 (4) an allocation for the unmet need of an ineligible spouse or an ineligible child under
384.18 the age of 21 for whom the caregiver is financially responsible and who lives with the
384.19 caregiver according to section 256J.36.

384.20 ~~(b) After initial eligibility is established,~~ (c) The income test is for a six-month period.
384.21 The assistance payment calculation is based on ~~the monthly income test~~ prospective budgeting
384.22 according to section 256P.09.

384.23 **EFFECTIVE DATE.** This section is effective March 1, 2025.

384.24 Sec. 20. Minnesota Statutes 2022, section 256J.21, subdivision 4, is amended to read:

384.25 Subd. 4. **Monthly Income test and determination of assistance payment.** ~~The county~~
384.26 ~~agency shall determine ongoing eligibility and the assistance payment amount according~~
384.27 ~~to the monthly income test.~~ To be eligible for MFIP, the result of the computations in
384.28 paragraphs (a) to (e) applied to prospective budgeting must be at least \$1.

384.29 (a) Apply an income disregard as defined in section 256P.03, to gross earnings and
384.30 subtract this amount from the family wage level. If the difference is equal to or greater than
384.31 the MFIP transitional standard, the assistance payment is equal to the MFIP transitional

385.1 standard. If the difference is less than the MFIP transitional standard, the assistance payment
 385.2 is equal to the difference. The earned income disregard in this paragraph must be deducted
 385.3 every month there is earned income.

385.4 (b) All payments made according to a court order for spousal support or the support of
 385.5 children not living in the assistance unit's household must be disregarded from the income
 385.6 of the person with the legal obligation to pay support.

385.7 (c) An allocation for the unmet need of an ineligible spouse or an ineligible child under
 385.8 the age of 21 for whom the caregiver is financially responsible and who lives with the
 385.9 caregiver must be made according to section 256J.36.

385.10 (d) Subtract unearned income dollar for dollar from the MFIP transitional standard to
 385.11 determine the assistance payment amount.

385.12 (e) When income is both earned and unearned, the amount of the assistance payment
 385.13 must be determined by first treating gross earned income as specified in paragraph (a). After
 385.14 determining the amount of the assistance payment under paragraph (a), unearned income
 385.15 must be subtracted from that amount dollar for dollar to determine the assistance payment
 385.16 amount.

385.17 ~~(f) When the monthly income is greater than the MFIP transitional standard after~~
 385.18 ~~deductions and the income will only exceed the standard for one month, the county agency~~
 385.19 ~~must suspend the assistance payment for the payment month.~~

385.20 **EFFECTIVE DATE.** This section is effective March 1, 2025.

385.21 Sec. 21. Minnesota Statutes 2022, section 256J.33, subdivision 1, is amended to read:

385.22 Subdivision 1. **Determination of eligibility.** (a) A county agency must determine MFIP
 385.23 eligibility prospectively ~~for a payment month~~ based on ~~retrospectively~~ assessing income
 385.24 and the county agency's best estimate of the circumstances that will exist in the payment
 385.25 month.

385.26 (b) ~~Except as described in section 256J.34, subdivision 1, when prospective eligibility~~
 385.27 ~~exists,~~ A county agency must calculate the amount of the assistance payment using
 385.28 ~~retrospective~~ prospective budgeting. To determine MFIP eligibility and the assistance
 385.29 payment amount, a county agency must apply countable income, described in sections
 385.30 256P.06 and 256J.37, subdivisions 3 to ~~10~~ 9, received by members of an assistance unit or
 385.31 by other persons whose income is counted for the assistance unit, described under sections
 385.32 256J.37, subdivisions 1 to 2, and 256P.06, subdivision 1.

386.1 (c) This income must be applied to the MFIP standard of need or family wage level
 386.2 subject to this section and sections 256J.34 to 256J.36. Countable income as described in
 386.3 section 256P.06, subdivision 3, received ~~in a calendar month~~ must be applied to the needs
 386.4 of an assistance unit.

386.5 (d) An assistance unit is not eligible when the countable income equals or exceeds the
 386.6 MFIP standard of need or the family wage level for the assistance unit.

386.7 **EFFECTIVE DATE.** This section is effective March 1, 2025, except that the amendment
 386.8 to paragraph (b) striking "10" and inserting "9" is effective July 1, 2024.

386.9 Sec. 22. Minnesota Statutes 2022, section 256J.33, subdivision 2, is amended to read:

386.10 Subd. 2. **Prospective eligibility.** An agency must determine whether the eligibility
 386.11 requirements that pertain to an assistance unit, including those in sections 256J.11 to 256J.15
 386.12 and 256P.02, will be met prospectively for the payment month period. ~~Except for the~~
 386.13 ~~provisions in section 256J.34, subdivision 1,~~ The income test will be applied ~~retrospectively~~
 386.14 prospectively.

386.15 **EFFECTIVE DATE.** This section is effective March 1, 2025.

386.16 Sec. 23. Minnesota Statutes 2022, section 256J.35, is amended to read:

386.17 **256J.35 AMOUNT OF ASSISTANCE PAYMENT.**

386.18 Except as provided in paragraphs (a) to ~~(d)~~ (e), the amount of an assistance payment is
 386.19 equal to the difference between the MFIP standard of need or the Minnesota family wage
 386.20 level in section 256J.24 and countable income.

386.21 (a) Beginning July 1, 2015, MFIP assistance units are eligible for an MFIP housing
 386.22 assistance grant of \$110 per month, unless:

386.23 (1) the housing assistance unit is currently receiving public and assisted rental subsidies
 386.24 provided through the Department of Housing and Urban Development (HUD) and is subject
 386.25 to section 256J.37, subdivision 3a; or

386.26 (2) the assistance unit is a child-only case under section 256J.88.

386.27 (b) On October 1 of each year, the commissioner shall adjust the MFIP housing assistance
 386.28 grant in paragraph (a) for inflation based on the CPI-U for the prior calendar year.

386.29 (c) When MFIP eligibility exists for the month of application, the amount of the assistance
 386.30 payment for the month of application must be prorated from the date of application or the

387.1 date all other eligibility factors are met for that applicant, whichever is later. This provision
 387.2 applies when an applicant loses at least one day of MFIP eligibility.

387.3 ~~(e)~~ (d) MFIP overpayments to an assistance unit must be recouped according to section
 387.4 256P.08, subdivision 6.

387.5 ~~(d)~~ (e) An initial assistance payment must not be made to an applicant who is not eligible
 387.6 on the date payment is made.

387.7 **EFFECTIVE DATE.** This section is effective October 1, 2024.

387.8 Sec. 24. Minnesota Statutes 2022, section 256J.37, subdivision 3, is amended to read:

387.9 Subd. 3. **Earned income of wage, salary, and contractual employees.** The agency
 387.10 must include gross earned income less any disregards in the initial ~~and monthly~~ income
 387.11 test. Gross earned income received by persons employed on a contractual basis must be
 387.12 prorated over the period covered by the contract even when payments are received over a
 387.13 lesser period of time.

387.14 **EFFECTIVE DATE.** This section is effective March 1, 2025.

387.15 Sec. 25. Minnesota Statutes 2022, section 256J.37, subdivision 3a, is amended to read:

387.16 Subd. 3a. **Rental subsidies; unearned income.** (a) Effective July 1, 2003, the agency
 387.17 shall count \$50 of the value of public and assisted rental subsidies provided through the
 387.18 Department of Housing and Urban Development (HUD) as unearned income to the cash
 387.19 portion of the MFIP grant. The full amount of the subsidy must be counted as unearned
 387.20 income when the subsidy is less than \$50. The income from this subsidy shall be budgeted
 387.21 according to section ~~256J.34~~ 256P.09.

387.22 (b) The provisions of this subdivision shall not apply to an MFIP assistance unit which
 387.23 includes a participant who is:

387.24 (1) age 60 or older;

387.25 (2) a caregiver who is suffering from an illness, injury, or incapacity that has been
 387.26 certified by a qualified professional when the illness, injury, or incapacity is expected to
 387.27 continue for more than 30 days and severely limits the person's ability to obtain or maintain
 387.28 suitable employment; or

387.29 (3) a caregiver whose presence in the home is required due to the illness or incapacity
 387.30 of another member in the assistance unit, a relative in the household, or a foster child in the
 387.31 household when the illness or incapacity and the need for the participant's presence in the

388.1 home has been certified by a qualified professional and is expected to continue for more
388.2 than 30 days.

388.3 (c) The provisions of this subdivision shall not apply to an MFIP assistance unit where
388.4 the parental caregiver is an SSI participant.

388.5 **EFFECTIVE DATE.** This section is effective March 1, 2025.

388.6 Sec. 26. Minnesota Statutes 2022, section 256J.425, subdivision 1, is amended to read:

388.7 Subdivision 1. **Eligibility.** (a) To be eligible for a hardship extension, a participant in
388.8 an assistance unit subject to the time limit under section 256J.42, subdivision 1, must be in
388.9 compliance in the participant's 60th counted month. ~~For purposes of determining eligibility~~
388.10 ~~for a hardship extension, a participant is in compliance in any month that the participant~~
388.11 ~~has not been sanctioned. In order to maintain eligibility for any of the hardship extension~~
388.12 ~~categories a participant shall develop and comply with either an employment plan or a~~
388.13 family stabilization services plan, whichever is appropriate.

388.14 (b) If one participant in a two-parent assistance unit is determined to be ineligible for a
388.15 hardship extension, the county shall give the assistance unit the option of disqualifying the
388.16 ineligible participant from MFIP. In that case, the assistance unit shall be treated as a
388.17 one-parent assistance unit.

388.18 ~~(c) Prior to denying an extension, the county must review the sanction status and~~
388.19 ~~determine whether the sanction is appropriate or if good cause exists under section 256J.57.~~
388.20 ~~If the sanction was inappropriately applied or the participant is granted a good cause~~
388.21 ~~exception before the end of month 60, the participant shall be considered for an extension.~~

388.22 **EFFECTIVE DATE.** This section is effective January 1, 2025.

388.23 Sec. 27. Minnesota Statutes 2022, section 256J.425, subdivision 4, is amended to read:

388.24 Subd. 4. **Employed participants.** (a) An assistance unit subject to the time limit under
388.25 section 256J.42, subdivision 1, is eligible to receive assistance under a hardship extension
388.26 if the participant who reached the time limit belongs to:

388.27 (1) a one-parent assistance unit in which the participant is participating in work activities
388.28 for at least 30 hours per week, of which an average of at least 25 hours per week every
388.29 month are spent participating in employment;

389.1 (2) a two-parent assistance unit in which the participants are participating in work
389.2 activities for at least 55 hours per week, of which an average of at least 45 hours per week
389.3 every month are spent participating in employment; or

389.4 (3) an assistance unit in which a participant is participating in employment for fewer
389.5 hours than those specified in clause (1), and the participant submits verification from a
389.6 qualified professional, in a form acceptable to the commissioner, stating that the number
389.7 of hours the participant may work is limited due to illness or disability, as long as the
389.8 participant is participating in employment for at least the number of hours specified by the
389.9 qualified professional. The participant must be following the treatment recommendations
389.10 of the qualified professional providing the verification. The commissioner shall develop a
389.11 form to be completed and signed by the qualified professional, documenting the diagnosis
389.12 and any additional information necessary to document the functional limitations of the
389.13 participant that limit work hours. If the participant is part of a two-parent assistance unit,
389.14 the other parent must be treated as a one-parent assistance unit for purposes of meeting the
389.15 work requirements under this subdivision.

389.16 (b) For purposes of this section, employment means:

389.17 (1) unsubsidized employment under section 256J.49, subdivision 13, clause (1);

389.18 (2) subsidized employment under section 256J.49, subdivision 13, clause (2);

389.19 (3) on-the-job training under section 256J.49, subdivision 13, clause (2);

389.20 (4) an apprenticeship under section 256J.49, subdivision 13, clause (1);

389.21 (5) supported work under section 256J.49, subdivision 13, clause (2);

389.22 (6) a combination of clauses (1) to (5); or

389.23 (7) child care under section 256J.49, subdivision 13, clause (7), if it is in combination
389.24 with paid employment.

389.25 (c) If a participant is complying with a child protection plan under chapter 260C, the
389.26 number of hours required under the child protection plan count toward the number of hours
389.27 required under this subdivision.

389.28 (d) The county shall provide the opportunity for subsidized employment to participants
389.29 needing that type of employment within available appropriations.

389.30 ~~(e) To be eligible for a hardship extension for employed participants under this~~
389.31 ~~subdivision, a participant must be in compliance for at least ten out of the 12 months the~~
389.32 ~~participant received MFIP immediately preceding the participant's 61st month on assistance.~~

390.1 ~~If ten or fewer months of eligibility for TANF assistance remain at the time the participant~~
 390.2 ~~from another state applies for assistance, the participant must be in compliance every month.~~

390.3 ~~(f)~~ (e) The employment plan developed under section 256J.521, subdivision 2, for
 390.4 participants under this subdivision must contain at least the minimum number of hours
 390.5 specified in paragraph (a) for the purpose of meeting the requirements for an extension
 390.6 under this subdivision. The job counselor and the participant must sign the employment
 390.7 plan to indicate agreement between the job counselor and the participant on the contents of
 390.8 the plan.

390.9 ~~(g)~~ (f) Participants who fail to meet the requirements in paragraph (a), without eligibility
 390.10 for another hardship extension or good cause under section 256J.57, shall be ~~sanctioned~~
 390.11 subject to sanction or permanently disqualified under subdivision 6. ~~Good cause may only~~
 390.12 ~~be granted for that portion of the month for which the good cause reason applies~~ case closure.
 390.13 Participants must meet all remaining requirements in the approved employment plan or be
 390.14 subject to sanction or ~~permanent disqualification~~ case closure.

390.15 ~~(h)~~ (g) If the noncompliance with an employment plan is due to the involuntary loss of
 390.16 employment, the participant is exempt from the hourly employment requirement under this
 390.17 subdivision for one month. Participants must meet all remaining requirements in the approved
 390.18 employment plan or be subject to sanction or ~~permanent disqualification~~ case closure if
 390.19 ineligible for another hardship extension.

390.20 **EFFECTIVE DATE.** This section is effective January 1, 2025.

390.21 Sec. 28. Minnesota Statutes 2022, section 256J.425, subdivision 5, is amended to read:

390.22 **Subd. 5. Accrual of certain exempt months.** (a) Participants who are not eligible for
 390.23 assistance under a hardship extension under this section shall be eligible for a hardship
 390.24 extension for a period of time equal to the number of months that were counted toward the
 390.25 60-month time limit while the participant was a caregiver with a child or an adult in the
 390.26 household who meets the disability or medical criteria for home care services under section
 390.27 256B.0651, subdivision 1, paragraph (c), or a home and community-based waiver services
 390.28 program under chapter 256B, or meets the criteria for severe emotional disturbance under
 390.29 section 245.4871, subdivision 6, or for serious and persistent mental illness under section
 390.30 245.462, subdivision 20, paragraph (c), and who was subject to the requirements in section
 390.31 256J.561, subdivision 2.

390.32 (b) A participant who received MFIP assistance that counted toward the 60-month time
 390.33 limit while the participant met the state time limit exemption criteria under section 256J.42,

391.1 subdivision 4 or 5, is eligible for assistance under a hardship extension for a period of time
 391.2 equal to the number of months that were counted toward the 60-month time limit while the
 391.3 participant met the state time limit exemption criteria under section 256J.42, subdivision 4
 391.4 or 5.

391.5 (c) After the accrued months have been exhausted, the county agency must determine
 391.6 if the assistance unit is eligible for an extension under another extension category in
 391.7 subdivision 2, 3, or 4.

391.8 (d) At the time of the case review, a county agency must explain to the participant the
 391.9 basis for receiving a hardship extension based on the accrual of exempt months. The
 391.10 participant must provide documentation necessary to enable the county agency to determine
 391.11 whether the participant is eligible to receive a hardship extension based on the accrual of
 391.12 exempt months or authorize a county agency to verify the information.

391.13 ~~(e) While receiving extended MFIP assistance under this subdivision, a participant is~~
 391.14 ~~subject to the MFIP policies that apply to participants during the first 60 months of MFIP,~~
 391.15 ~~unless the participant is a member of a two-parent family in which one parent is extended~~
 391.16 ~~under subdivision 3 or 4. For two-parent families in which one parent is extended under~~
 391.17 ~~subdivision 3 or 4, the sanction provisions in subdivision 6 shall apply.~~

391.18 **EFFECTIVE DATE.** This section is effective January 1, 2025.

391.19 Sec. 29. Minnesota Statutes 2022, section 256J.425, subdivision 7, is amended to read:

391.20 Subd. 7. **Status of disqualified participants closed cases.** (a) An assistance unit that
 391.21 ~~is disqualified~~ has its case closed under subdivision 6, paragraph (a), section 256J.46 may
 391.22 be approved for MFIP if the participant complies with MFIP program requirements and
 391.23 demonstrates compliance for up to one month. No assistance shall be paid during this period.

391.24 (b) An assistance unit that ~~is disqualified~~ has its case closed under subdivision 6,
 391.25 ~~paragraph (a), section 256J.46~~ and that reapplies under paragraph (a) is subject to sanction
 391.26 under section 256J.46, subdivision 1, paragraph (c), ~~clause (1), for a first occurrence of~~
 391.27 ~~noncompliance. A subsequent occurrence of noncompliance results in a permanent~~
 391.28 ~~disqualification.~~

391.29 ~~(c) If one participant in a two-parent assistance unit receiving assistance under a hardship~~
 391.30 ~~extension under subdivision 3 or 4 is determined to be out of compliance with the~~
 391.31 ~~employment and training services requirements under sections 256J.521 to 256J.57, the~~
 391.32 ~~county shall give the assistance unit the option of disqualifying the noncompliant participant~~
 391.33 ~~from MFIP. In that case, the assistance unit shall be treated as a one-parent assistance unit~~

392.1 ~~for the purposes of meeting the work requirements under subdivision 4. An applicant who~~
 392.2 ~~is disqualified from receiving assistance under this paragraph may reapply under paragraph~~
 392.3 ~~(a). If a participant is disqualified from MFIP under this subdivision a second time, the~~
 392.4 ~~participant is permanently disqualified from MFIP.~~

392.5 ~~(d)~~ (c) Prior to a disqualification case closure under this subdivision, a county agency
 392.6 must review the participant's case to determine if the employment plan is still appropriate
 392.7 and attempt to meet with the participant face-to-face. If a face-to-face meeting is not
 392.8 conducted, the county agency must send the participant a notice of adverse action as provided
 392.9 in section 256J.31. During the face-to-face meeting, the county agency must:

392.10 (1) determine whether the continued noncompliance can be explained and mitigated by
 392.11 providing a needed preemployment activity, as defined in section 256J.49, subdivision 13,
 392.12 clause (9);

392.13 (2) determine whether the participant qualifies for a good cause exception under section
 392.14 256J.57;

392.15 (3) inform the participant of the family violence waiver criteria and make appropriate
 392.16 referrals if the waiver is requested;

392.17 (4) inform the participant of the participant's sanction status and explain the consequences
 392.18 of continuing noncompliance;

392.19 (5) identify other resources that may be available to the participant to meet the needs of
 392.20 the family; and

392.21 (6) inform the participant of the right to appeal under section 256J.40.

392.22 **EFFECTIVE DATE.** This section is effective January 1, 2025.

392.23 Sec. 30. Minnesota Statutes 2022, section 256J.46, subdivision 1, is amended to read:

392.24 Subdivision 1. **Participants not complying with program requirements.** (a) A
 392.25 participant who fails without good cause under section 256J.57 to comply with the
 392.26 requirements ~~of this chapter~~ for orientation under section 256J.45, or employment and
 392.27 training services under sections 256J.515 to 256J.57, and who is not subject to a sanction
 392.28 under subdivision 2, shall be subject to a sanction or case closure as provided in this
 392.29 subdivision section. Good cause may only be granted for the month for which the good
 392.30 cause reason applies. Prior to the imposition of a sanction, a county agency shall provide a
 392.31 notice of intent to sanction under section 256J.57, subdivision 2, and, when applicable, a
 392.32 notice of adverse action as provided in section 256J.31, subdivision 5.

393.1 (b) A sanction under this subdivision becomes effective the month following the month
393.2 in which a required notice is given. A sanction must not be imposed when a participant
393.3 comes into compliance with the requirements for orientation under section 256J.45 prior to
393.4 the effective date of the sanction. ~~A sanction must not be imposed when a participant comes~~
393.5 ~~into compliance with the requirements for employment and training services under sections~~
393.6 ~~256J.515 to 256J.57 ten days prior to the effective date of the sanction.~~ For purposes of this
393.7 subdivision, each month that a participant fails to comply with a requirement of this chapter
393.8 shall be considered a separate occurrence of noncompliance. If both participants in a
393.9 two-parent assistance unit are out of compliance at the same time, it is considered one
393.10 occurrence of noncompliance.

393.11 (c) Sanctions for noncompliance ~~shall be imposed as follows:~~

393.12 ~~(1) For the first occurrence of noncompliance by a participant in an assistance unit, the~~
393.13 ~~assistance unit's grant shall be reduced by ten percent of the MFIP standard of need for an~~
393.14 ~~assistance unit of the same size with the residual grant paid to the participant. The reduction~~
393.15 ~~in the grant amount must be in effect for a minimum of one month and shall be removed in~~
393.16 ~~the month following the month that the participant returns to compliance.~~

393.17 ~~(2) for a the first, second, third, fourth, fifth, or sixth consecutive occurrence of~~
393.18 ~~noncompliance by a participant in an assistance unit, the assistance unit's shelter costs shall~~
393.19 ~~be vendor paid up to the amount of the cash portion of the MFIP grant for which the~~
393.20 ~~assistance unit is eligible. At county option, the assistance unit's utilities may also be vendor~~
393.21 ~~paid up to the amount of the cash portion of the MFIP grant remaining after vendor payment~~
393.22 ~~of the assistance unit's shelter costs. The residual amount of the grant after vendor payment,~~
393.23 ~~if any, must be reduced by an amount are equal to 30 a reduction of five percent of the cash~~
393.24 ~~portion of the MFIP standard of need for an grant received by the assistance unit of the~~
393.25 ~~same size before the residual grant is paid to the assistance unit. The reduction in the grant~~
393.26 ~~amount must be in effect for a minimum of one month and shall be removed in the month~~
393.27 ~~following the month that the participant in a one-parent assistance unit returns to compliance,~~
393.28 ~~unless the requirements in paragraph (h) are met. In a two-parent assistance unit, the grant~~
393.29 ~~reduction must be in effect for a minimum of one month and shall be removed in the month~~
393.30 ~~following the month both participants return to compliance, unless the requirements in~~
393.31 ~~paragraph (h) are met. The vendor payment of shelter costs and, if applicable, utilities shall~~
393.32 ~~be removed six months after the month in which the participant or participants return to~~
393.33 ~~compliance. When an assistance unit comes into compliance with the requirements in section~~
393.34 ~~256.741, or shows good cause under section 256.741, subdivision 10, or 256J.57, the sanction~~
393.35 ~~occurrences for that assistance unit shall be equal to zero sanctions. If an assistance unit is~~

394.1 sanctioned under this clause, the participant's case file must be reviewed to determine if the
394.2 employment plan is still appropriate.

394.3 (d) For a seventh consecutive occurrence of noncompliance by a participant in an
394.4 assistance unit, ~~or when the participants in a two-parent assistance unit have a total of seven~~
394.5 ~~occurrences of noncompliance~~, the county agency shall close the MFIP assistance unit's
394.6 financial assistance case, ~~both~~ including the cash and food portions, and redetermine the
394.7 family's ~~continued~~ eligibility for Supplemental Nutrition Assistance Program (SNAP)
394.8 payments. The MFIP case must remain closed for a minimum of one full month. Before the
394.9 case is closed, the county agency must review the participant's case to determine if the
394.10 employment plan is still appropriate and attempt to meet with the participant face-to-face.
394.11 The participant may bring an advocate to the face-to-face meeting. If a face-to-face meeting
394.12 is not conducted, the county agency must send the participant a written notice that includes
394.13 the information required under clause (1).

394.14 (1) During the face-to-face meeting, the county agency must:

394.15 (i) determine whether the continued noncompliance can be explained and mitigated by
394.16 providing a needed preemployment activity, as defined in section 256J.49, subdivision 13,
394.17 clause (9);

394.18 (ii) determine whether the participant qualifies for a good cause exception under section
394.19 256J.57, or if the sanction is for noncooperation with child support requirements, determine
394.20 if the participant qualifies for a good cause exemption under section 256.741, subdivision
394.21 10;

394.22 (iii) determine whether the work activities in the employment plan are appropriate based
394.23 on the criteria in section 256J.521, subdivision 2 or 3;

394.24 (iv) determine whether the participant qualifies for the family violence waiver;

394.25 (v) inform the participant of the participant's sanction status and explain the consequences
394.26 of continuing noncompliance;

394.27 (vi) identify other resources that may be available to the participant to meet the needs
394.28 of the family; and

394.29 (vii) inform the participant of the right to appeal under section 256J.40.

394.30 (2) If the lack of an identified activity or service can explain the noncompliance, the
394.31 county must work with the participant to provide the identified activity.

395.1 (3) The grant must be restored to the full amount for which the assistance unit is eligible
395.2 retroactively to the first day of the month in which the participant was found to lack
395.3 preemployment activities or to qualify for a family violence waiver or for a good cause
395.4 exemption under section 256.741, subdivision 10, or 256J.57.

395.5 (e) For the purpose of applying sanctions under this section, only consecutive occurrences
395.6 of noncompliance that occur ~~after July 1, 2003~~ on or after January 1, 2025, shall be
395.7 considered when counting the number of sanction occurrences under this subdivision. Active
395.8 cases under sanction on January 1, 2025, shall be considered to have one sanction occurrence.
395.9 ~~If the participant is in 30 percent sanction in the month this section takes effect, that month~~
395.10 ~~counts as the first occurrence for purposes of applying the sanctions under this section, but~~
395.11 ~~the sanction shall remain at 30 percent for that month~~ comes into compliance, the assistance
395.12 unit is considered to have zero sanctions.

395.13 (f) An assistance unit whose case is closed under paragraph (d) or (g), may reapply for
395.14 MFIP using a form prescribed by the commissioner and shall be eligible if the participant
395.15 complies with MFIP program requirements and demonstrates compliance for up to one
395.16 month. No assistance shall be paid during this period. The county agency shall not start a
395.17 new certification period for a participant who has submitted the reapplication form within
395.18 30 calendar days of case closure. The county agency must process the form according to
395.19 section 256P.04, except that the county agency shall not require additional verification of
395.20 information in the case file unless the information is inaccurate, questionable, or no longer
395.21 current. If a participant does not reapply for MFIP within 30 calendar days of case closure,
395.22 a new application must be completed.

395.23 (g) An assistance unit whose case has been closed for noncompliance, that reapplies
395.24 under paragraph (f), is subject to sanction under paragraph (c), ~~clause (2), for a first~~
395.25 ~~occurrence of noncompliance. Any subsequent occurrence of noncompliance shall result~~
395.26 ~~in and~~ case closure under paragraph (d).

395.27 (h) If an assistance unit is in compliance by the 15th of the month in which the assistance
395.28 unit has a sanction imposed, the reduction to the assistance unit's cash grant shall be restored
395.29 retroactively for the current month and the sanction occurrences shall be equal to zero.

395.30 **EFFECTIVE DATE.** This section is effective January 1, 2025.

395.31 Sec. 31. Minnesota Statutes 2022, section 256J.46, subdivision 2, is amended to read:

395.32 Subd. 2. **Sanctions for refusal to cooperate with support requirements.** The grant of
395.33 an MFIP caregiver who refuses to cooperate, as determined by the child support enforcement

396.1 agency, with support requirements under section 256.741, shall be subject to sanction as
 396.2 specified in this subdivision and subdivision 1. ~~For a first occurrence of noncooperation,~~
 396.3 ~~the assistance unit's grant must be reduced by 30 percent of the applicable MFIP standard~~
 396.4 ~~of need. Subsequent occurrences of noncooperation shall be subject to sanction under~~
 396.5 ~~subdivision 1, paragraphs (c), clause (2), and (d), paragraphs (b) to (h), except the assistance~~
 396.6 unit's cash portion of the grant must be reduced by 25 percent of the MFIP cash received
 396.7 by the assistance unit. The residual amount of the grant, if any, must be paid to the caregiver.
 396.8 A sanction under this subdivision becomes effective the first month following the month
 396.9 in which a required notice is given. A sanction must not be imposed when a caregiver comes
 396.10 into compliance with the requirements under section 256.741 prior to the effective date of
 396.11 the sanction. The sanction shall be removed in the month following the month that the
 396.12 caregiver cooperates with the support requirements, unless the requirements in subdivision
 396.13 1, paragraph (h), are met. Each month that an MFIP caregiver fails to comply with the
 396.14 requirements of section 256.741 must be considered a separate occurrence of noncompliance
 396.15 for the purpose of applying sanctions under subdivision 1, paragraphs (c), ~~clause (2), and~~
 396.16 (d).

396.17 **EFFECTIVE DATE.** This section is effective January 1, 2025.

396.18 Sec. 32. Minnesota Statutes 2022, section 256J.46, subdivision 2a, is amended to read:

396.19 Subd. 2a. **Dual sanctions.** (a) Notwithstanding the provisions of subdivisions 1 and 2,
 396.20 for a participant subject to a sanction for refusal to comply with child support requirements
 396.21 under subdivision 2 and subject to a concurrent sanction for refusal to cooperate with other
 396.22 program requirements under subdivision 1, sanctions shall be imposed in the manner
 396.23 prescribed in this subdivision.

396.24 ~~Any vendor payment of shelter costs or utilities under this subdivision must remain in~~
 396.25 ~~effect for six months after the month in which the participant is no longer subject to sanction~~
 396.26 ~~under subdivision 1.~~

396.27 ~~(b) If the participant was subject to sanction for:~~

396.28 ~~(1) noncompliance under subdivision 1 before being subject to sanction for~~
 396.29 ~~noncooperation under subdivision 2; or~~

396.30 ~~(2) noncooperation under subdivision 2 before being subject to sanction for~~
 396.31 ~~noncompliance under subdivision 1, the participant is considered to have a second occurrence~~
 396.32 ~~of noncompliance and shall be sanctioned as provided in subdivision 1, paragraph (c), clause~~
 396.33 ~~(2). Each subsequent occurrence of noncompliance shall be considered one additional~~

397.1 ~~occurrence and shall be subject to the applicable level of sanction under subdivision 1. The~~
 397.2 ~~requirement that the county conduct a review as specified in subdivision 1, paragraph (d),~~
 397.3 ~~remains in effect.~~

397.4 ~~(e)~~ (b) A participant who ~~first~~ becomes subject to sanction under both subdivisions 1
 397.5 and 2 in the same month is subject to sanction as follows:

397.6 (1) in the first month of noncompliance and noncooperation, the participant's cash portion
 397.7 of the grant must be reduced by 30 25 percent of the applicable MFIP standard of need cash
 397.8 received by the assistance unit, with any residual amount paid to the participant;

397.9 (2) in the second and subsequent months of noncompliance and noncooperation, the
 397.10 participant shall be subject to the applicable level of sanction under subdivision 1.

397.11 The requirement that the county conduct a review as specified in subdivision 1, paragraph
 397.12 (d), remains in effect.

397.13 ~~(d)~~ (c) A participant remains subject to sanction under subdivision 2 if the participant:

397.14 (1) returns to compliance and is no longer subject to sanction for noncompliance with
 397.15 section 256J.45 or sections 256J.515 to 256J.57; or

397.16 (2) has the sanction for noncompliance with section 256J.45 or sections 256J.515 to
 397.17 256J.57 removed upon completion of the review under subdivision 1, paragraph (e).

397.18 A participant remains subject to the applicable level of sanction under subdivision 1 if
 397.19 the participant cooperates and is no longer subject to sanction under subdivision 2.

397.20 **EFFECTIVE DATE.** This section is effective January 1, 2025.

397.21 Sec. 33. Minnesota Statutes 2022, section 256J.95, subdivision 19, is amended to read:

397.22 Subd. 19. **DWP overpayments and underpayments.** DWP benefits are subject to
 397.23 overpayments and underpayments. Anytime an overpayment or an underpayment is
 397.24 determined for DWP, the correction shall be calculated using prospective budgeting.

397.25 Corrections shall be determined based on the policy in section ~~256J.34, subdivision 1,~~

397.26 ~~paragraphs (a), (b), and (c)~~ 256P.09, subdivisions 1 to 4. ATM errors must be recovered as
 397.27 specified in section 256P.08, subdivision 7. Cross program recoupment of overpayments
 397.28 cannot be assigned to or from DWP.

397.29 **EFFECTIVE DATE.** This section is effective March 1, 2025.

398.1 Sec. 34. Minnesota Statutes 2022, section 256P.01, is amended by adding a subdivision
398.2 to read:

398.3 Subd. 9. **Prospective budgeting.** "Prospective budgeting" means estimating the amount
398.4 of monthly income that an assistance unit will have in the payment month.

398.5 **EFFECTIVE DATE.** This section is effective March 1, 2025.

398.6 Sec. 35. Minnesota Statutes 2022, section 256P.02, subdivision 2, is amended to read:

398.7 Subd. 2. **Personal property limitations.** The equity value of an assistance unit's personal
398.8 property listed in clauses (1) to (5) must not exceed \$10,000 for applicants and participants.
398.9 For purposes of this subdivision, personal property is limited to:

398.10 (1) cash not excluded under subdivision 4;

398.11 (2) bank accounts not excluded under subdivision 4;

398.12 (3) liquid stocks and bonds that can be readily accessed without a financial penalty;

398.13 (4) vehicles not excluded under subdivision 3; and

398.14 (5) the full value of business accounts used to pay expenses not related to the business.

398.15 Sec. 36. Minnesota Statutes 2022, section 256P.02, is amended by adding a subdivision
398.16 to read:

398.17 Subd. 5. **Account exception.** Family asset accounts under section 256E.35 and individual
398.18 development accounts authorized under the Assets for Independence Act, Title IV of the
398.19 Community Opportunities, Accountability, and Training and Educational Services Human
398.20 Services Reauthorization Act of 1998, Public Law 105-285, shall be excluded when
398.21 determining the equity value of personal property.

398.22 Sec. 37. Minnesota Statutes 2022, section 256P.04, subdivision 4, is amended to read:

398.23 Subd. 4. **Factors to be verified.** (a) The agency shall verify the following at application:

398.24 (1) identity of adults;

398.25 (2) age, if necessary to determine eligibility;

398.26 (3) immigration status;

398.27 (4) income;

398.28 (5) spousal support and child support payments made to persons outside the household;

399.1 (6) vehicles;

399.2 (7) checking and savings accounts, including but not limited to any business accounts
399.3 used to pay expenses not related to the business;

399.4 (8) inconsistent information, if related to eligibility;

399.5 (9) residence; and

399.6 (10) Social Security number; ~~and~~.

399.7 ~~(11) use of nonrecurring income under section 256P.06, subdivision 3, clause (2), item~~
399.8 ~~(ix), for the intended purpose for which it was given and received.~~

399.9 (b) Applicants who are qualified noncitizens and victims of domestic violence as defined
399.10 under section 256J.08, subdivision 73, clauses (8) and (9), are not required to verify the
399.11 information in paragraph (a), clause (10). When a Social Security number is not provided
399.12 to the agency for verification, this requirement is satisfied when each member of the
399.13 assistance unit cooperates with the procedures for verification of Social Security numbers,
399.14 issuance of duplicate cards, and issuance of new numbers which have been established
399.15 jointly between the Social Security Administration and the commissioner.

399.16 **EFFECTIVE DATE.** This section is effective July 1, 2024.

399.17 Sec. 38. Minnesota Statutes 2022, section 256P.04, subdivision 8, is amended to read:

399.18 Subd. 8. **Recertification.** The agency shall recertify eligibility annually. During
399.19 recertification and reporting under section 256P.10, the agency shall verify the following:

399.20 (1) income, unless excluded, including self-employment earnings;

399.21 (2) assets when the value is within \$200 of the asset limit; and

399.22 (3) inconsistent information, if related to eligibility.

399.23 **EFFECTIVE DATE.** This section is effective March 1, 2025.

399.24 Sec. 39. Minnesota Statutes 2022, section 256P.06, subdivision 3, is amended to read:

399.25 Subd. 3. **Income inclusions.** The following must be included in determining the income
399.26 of an assistance unit:

399.27 (1) earned income; and

399.28 (2) unearned income, which includes:

399.29 (i) interest and dividends from investments and savings;

- 400.1 (ii) capital gains as defined by the Internal Revenue Service from any sale of real property;
- 400.2 (iii) proceeds from rent and contract for deed payments in excess of the principal and
400.3 interest portion owed on property;
- 400.4 (iv) income from trusts, excluding special needs and supplemental needs trusts;
- 400.5 (v) interest income from loans made by the participant or household;
- 400.6 (vi) cash prizes and winnings;
- 400.7 (vii) unemployment insurance income that is received by an adult member of the
400.8 assistance unit unless the individual receiving unemployment insurance income is:
- 400.9 (A) 18 years of age and enrolled in a secondary school; or
- 400.10 (B) 18 or 19 years of age, a caregiver, and is enrolled in school at least half-time;
- 400.11 (viii) for the purposes of programs under chapters 256D and 256I, retirement, survivors,
400.12 and disability insurance payments;
- 400.13 (ix) nonrecurring income over \$60 per quarter unless the nonrecurring income is: (A)
400.14 from tax refunds, tax rebates, or tax credits; (B) a reimbursement, rebate, award, grant, or
400.15 refund of personal or real property or costs or losses incurred when these payments are
400.16 made by: a public agency; a court; solicitations through public appeal; a federal, state, or
400.17 local unit of government; or a disaster assistance organization; (C) provided as an in-kind
400.18 benefit; or (D) earmarked and used for the purpose for which it was intended, subject to
400.19 verification requirements under section 256P.04;
- 400.20 (x) retirement benefits;
- 400.21 (xi) cash assistance benefits, as defined by each program in chapters 119B, 256D, 256I,
400.22 and 256J;
- 400.23 (xii) Tribal per capita payments unless excluded by federal and state law;
- 400.24 (xiii) income from members of the United States armed forces unless excluded from
400.25 income taxes according to federal or state law;
- 400.26 (xiv) for the purposes of programs under chapters 119B, 256D, and 256I, all child support
400.27 payments ~~for programs under chapters 119B, 256D, and 256I~~;
- 400.28 (xv) for the purposes of programs under chapter 256J, the amount of child support
400.29 received that exceeds \$100 for assistance units with one child and \$200 for assistance units
400.30 with two or more children ~~for programs under chapter 256J~~;
- 400.31 (xvi) spousal support; ~~and~~

401.1 (xvii) workers' compensation; and

401.2 (xviii) for the purposes of programs under chapters 119B and 256J, the amount of
 401.3 retirement, survivors, and disability insurance payments that exceeds the applicable monthly
 401.4 federal maximum Supplemental Security Income payments.

401.5 Sec. 40. Minnesota Statutes 2022, section 256P.07, subdivision 1, is amended to read:

401.6 Subdivision 1. **Exempted programs.** Participants who receive Supplemental Security
 401.7 Income and qualify for Minnesota supplemental aid under chapter 256D and or for housing
 401.8 support under chapter 256I on the basis of eligibility for Supplemental Security Income are
 401.9 exempt from this section reporting income under this chapter.

401.10 **EFFECTIVE DATE.** This section is effective March 1, 2025.

401.11 Sec. 41. Minnesota Statutes 2022, section 256P.07, is amended by adding a subdivision
 401.12 to read:

401.13 Subd. 1a. **Child care assistance programs.** Participants who qualify for child care
 401.14 assistance programs under chapter 119B are exempt from this section except the reporting
 401.15 requirements in subdivision 6.

401.16 **EFFECTIVE DATE.** This section is effective March 1, 2025.

401.17 Sec. 42. Minnesota Statutes 2022, section 256P.07, subdivision 2, is amended to read:

401.18 Subd. 2. **Reporting requirements.** An applicant or participant must provide information
 401.19 on an application and any subsequent reporting forms about the assistance unit's
 401.20 circumstances that affect eligibility or benefits. An applicant or assistance unit must report
 401.21 changes that affect eligibility or benefits as identified in subdivision subdivisions 3, 4, 5,
 401.22 7, 8, and 9 during the application period or by the tenth of the month following the month
 401.23 the assistance unit's circumstances changed. When information is not accurately reported,
 401.24 both an overpayment and a referral for a fraud investigation may result. When information
 401.25 or documentation is not provided, the receipt of any benefit may be delayed or denied,
 401.26 depending on the type of information required and its effect on eligibility.

401.27 **EFFECTIVE DATE.** This section is effective March 1, 2025.

401.28 Sec. 43. Minnesota Statutes 2022, section 256P.07, subdivision 3, is amended to read:

401.29 Subd. 3. **Changes that must be reported.** ~~An assistance unit must report the changes~~
 401.30 ~~or anticipated changes specified in clauses (1) to (12) within ten days of the date they occur,~~

402.1 ~~at the time of recertification of eligibility under section 256P.04, subdivisions 8 and 9, or~~
402.2 ~~within eight calendar days of a reporting period, whichever occurs first. An assistance unit~~
402.3 ~~must report other changes at the time of recertification of eligibility under section 256P.04,~~
402.4 ~~subdivisions 8 and 9, or at the end of a reporting period, as applicable. When an agency~~
402.5 ~~could have reduced or terminated assistance for one or more payment months if a delay in~~
402.6 ~~reporting a change specified under clauses (1) to (12) had not occurred, the agency must~~
402.7 ~~determine whether a timely notice could have been issued on the day that the change~~
402.8 ~~occurred. When a timely notice could have been issued, each month's overpayment~~
402.9 ~~subsequent to that notice must be considered a client error overpayment under section~~
402.10 ~~119B.11, subdivision 2a, or 256P.08. Changes in circumstances that must be reported within~~
402.11 ~~ten days must also be reported for the reporting period in which those changes occurred.~~
402.12 ~~Within ten days, an assistance unit must report:~~

402.13 ~~(1) a change in earned income of \$100 per month or greater with the exception of a~~
402.14 ~~program under chapter 119B;~~

402.15 ~~(2) a change in unearned income of \$50 per month or greater with the exception of a~~
402.16 ~~program under chapter 119B;~~

402.17 ~~(3) a change in employment status and hours with the exception of a program under~~
402.18 ~~chapter 119B;~~

402.19 ~~(4) a change in address or residence;~~

402.20 ~~(5) a change in household composition with the exception of programs under chapter~~
402.21 ~~256I;~~

402.22 ~~(6) a receipt of a lump-sum payment with the exception of a program under chapter~~
402.23 ~~119B;~~

402.24 ~~(7) an increase in assets if over \$9,000 with the exception of programs under chapter~~
402.25 ~~119B;~~

402.26 ~~(8) a change in citizenship or immigration status;~~

402.27 ~~(9) a change in family status with the exception of programs under chapter 256I;~~

402.28 ~~(10) a change in disability status of a unit member, with the exception of programs under~~
402.29 ~~chapter 119B;~~

402.30 ~~(11) a new rent subsidy or a change in rent subsidy with the exception of a program~~
402.31 ~~under chapter 119B; and~~

403.1 ~~(12) a sale, purchase, or transfer of real property with the exception of a program under~~
 403.2 ~~chapter 119B.~~

403.3 (a) An assistance unit must report changes or anticipated changes as described in this
 403.4 section.

403.5 (b) An assistance unit must report:

403.6 (1) a change in eligibility for Supplemental Security Income, Retirement Survivors
 403.7 Disability Insurance, or another federal income support;

403.8 (2) a change in address or residence;

403.9 (3) a change in household composition with the exception of programs under chapter
 403.10 256I;

403.11 (4) cash prizes and winnings according to guidance provided for the Supplemental
 403.12 Nutrition Assistance Program;

403.13 (5) a change in citizenship or immigration status;

403.14 (6) a change in family status with the exception of programs under chapter 256I; and

403.15 (7) a change that makes the value of the unit's assets at or above the asset limit.

403.16 (c) When an agency could have reduced or terminated assistance for one or more payment
 403.17 months if a delay in reporting a change specified under paragraph (b) had not occurred, the
 403.18 agency must determine whether the agency could have issued a timely notice on the day
 403.19 that the change occurred. When a timely notice could have been issued, each month's
 403.20 overpayment subsequent to the notice must be considered a client error overpayment under
 403.21 section 256P.08.

403.22 **EFFECTIVE DATE.** This section is effective March 1, 2025, except that the amendment
 403.23 striking clause (6) is effective July 1, 2024.

403.24 Sec. 44. Minnesota Statutes 2022, section 256P.07, subdivision 4, is amended to read:

403.25 Subd. 4. **MFIP-specific reporting.** In addition to subdivision 3, an assistance unit under
 403.26 chapter 256J, ~~within ten days of the change,~~ must report:

403.27 (1) a pregnancy not resulting in birth when there are no other minor children; ~~and~~

403.28 (2) a change in school attendance of a parent under 20 years of age ~~or of an employed~~
 403.29 ~~child;~~ and

404.1 (3) an individual in the household who is 18 or 19 years of age attending high school
 404.2 who graduates or drops out of school.

404.3 **EFFECTIVE DATE.** This section is effective March 1, 2025.

404.4 Sec. 45. Minnesota Statutes 2022, section 256P.07, subdivision 6, is amended to read:

404.5 Subd. 6. **Child care assistance programs-specific reporting.** (a) ~~In addition to~~
 404.6 ~~subdivision 3,~~ An assistance unit under chapter 119B, within ten days of the change, must
 404.7 report:

404.8 (1) a change in a parentally responsible individual's custody schedule for any child
 404.9 receiving child care assistance program benefits;

404.10 (2) a permanent end in a parentally responsible individual's authorized activity; ~~and~~

404.11 (3) if the unit's family's annual included income exceeds 85 percent of the state median
 404.12 income, adjusted for family size;

404.13 (4) a change in address or residence;

404.14 (5) a change in household composition;

404.15 (6) a change in citizenship or immigration status; and

404.16 (7) a change in family status.

404.17 (b) An assistance unit subject to section 119B.095, subdivision 1, paragraph (b), must
 404.18 report a change in the unit's authorized activity status.

404.19 (c) An assistance unit must notify the county when the unit wants to reduce the number
 404.20 of authorized hours for children in the unit.

404.21 **EFFECTIVE DATE.** This section is effective March 1, 2025.

404.22 Sec. 46. Minnesota Statutes 2022, section 256P.07, subdivision 7, is amended to read:

404.23 Subd. 7. **Minnesota supplemental aid-specific reporting.** (a) In addition to subdivision
 404.24 3, an assistance unit participating in the Minnesota supplemental aid program under ~~section~~
 404.25 ~~256D.44, subdivision 5, paragraph (g), within ten days of the change,~~ chapter 256D and not
 404.26 receiving Supplemental Security Income must report ~~shelter expenses.:~~

404.27 (1) a change in unearned income of \$50 per month or greater; and

404.28 (2) a change in earned income of \$100 per month or greater.

405.1 (b) An assistance unit receiving housing assistance under section 256D.44, subdivision
405.2 5, paragraph (g), including assistance units that also receive Supplemental Security Income,
405.3 must report:

405.4 (1) a change in shelter expenses; and

405.5 (2) a new rent subsidy or a change in rent subsidy.

405.6 **EFFECTIVE DATE.** This section is effective March 1, 2025.

405.7 Sec. 47. Minnesota Statutes 2022, section 256P.07, is amended by adding a subdivision
405.8 to read:

405.9 **Subd. 8. Housing support-specific reporting.** (a) In addition to subdivision 3, an
405.10 assistance unit participating in the housing support program under chapter 256I and not
405.11 receiving Supplemental Security Income must report:

405.12 (1) a change in unearned income of \$50 per month or greater; and

405.13 (2) a change in earned income of \$100 per month or greater, unless the assistance unit
405.14 is already subject to six-month reporting requirements in section 256P.10.

405.15 (b) Notwithstanding the exemptions in subdivisions 1 and 3, an assistance unit receiving
405.16 housing support under chapter 256I, including an assistance unit that receives Supplemental
405.17 Security Income, must report:

405.18 (1) a new rent subsidy or a change in rent subsidy;

405.19 (2) a change in the disability status of a unit member; and

405.20 (3) a change in household composition if the assistance unit is a participant in housing
405.21 support under section 256I.04, subdivision 3, paragraph (a), clause (3).

405.22 **EFFECTIVE DATE.** This section is effective March 1, 2025.

405.23 Sec. 48. Minnesota Statutes 2022, section 256P.07, is amended by adding a subdivision
405.24 to read:

405.25 **Subd. 9. General assistance-specific reporting.** In addition to subdivision 3, an
405.26 assistance unit participating in the general assistance program under chapter 256D must
405.27 report:

405.28 (1) a change in unearned income of \$50 per month or greater;

405.29 (2) a change in earned income of \$100 per month or greater, unless the assistance unit
405.30 is already subject to six-month reporting requirements in section 256P.10; and

406.1 (3) changes in any condition that would result in the loss of basis for eligibility in section
406.2 256D.05, subdivision 1, paragraph (a).

406.3 **EFFECTIVE DATE.** This section is effective March 1, 2025.

406.4 Sec. 49. **[256P.09] PROSPECTIVE BUDGETING OF BENEFITS.**

406.5 Subdivision 1. **Exempted programs.** Assistance units that qualify for child care
406.6 assistance programs under chapter 119B and assistance units that receive housing support
406.7 under chapter 256I are not subject to reporting under section 256P.10, and assistance units
406.8 that qualify for Minnesota supplemental aid under chapter 256D are exempt from this
406.9 section.

406.10 Subd. 2. **Prospective budgeting of benefits.** An agency subject to this chapter must use
406.11 prospective budgeting to calculate the assistance payment amount.

406.12 Subd. 3. **Initial income.** For the purpose of determining an assistance unit's level of
406.13 benefits, an agency must take into account the income already received by the assistance
406.14 unit during or anticipated to be received during the application period. Income anticipated
406.15 to be received only in the initial month of eligibility must only be counted in the initial
406.16 month.

406.17 Subd. 4. **Income determination.** An agency must use prospective budgeting to determine
406.18 the amount of the assistance unit's benefit for the eligibility period based on the best
406.19 information available at the time of approval. An agency shall only count anticipated income
406.20 when the participant and the agency are reasonably certain of the amount of the payment
406.21 and the month in which the payment will be received. If the exact amount of the income is
406.22 not known, the agency shall consider only the amounts that can be anticipated as income.

406.23 Subd. 5. **Income changes.** An increase in income shall not affect an assistance unit's
406.24 eligibility or benefit amount until the next review unless otherwise required to be reported
406.25 in section 256P.07. A decrease in income shall be effective on the date that the change
406.26 occurs if the change is reported by the tenth of the month following the month when the
406.27 change occurred. If the assistance unit does not report the change in income by the tenth of
406.28 the month following the month when the change occurred, the change in income shall be
406.29 effective on the date the change was reported.

406.30 **EFFECTIVE DATE.** This section is effective March 1, 2025.

407.1 Sec. 50. **[256P.10] SIX-MONTH REPORTING.**

407.2 Subdivision 1. Exempted programs. Assistance units that qualify for child care
407.3 assistance programs under chapter 119B, assistance units that qualify for Minnesota
407.4 supplemental aid under chapter 256D, and assistance units that qualify for housing support
407.5 under chapter 256I and also receive Supplemental Security Income are exempt from this
407.6 section.

407.7 Subd. 2. Reporting. (a) Every six months, an assistance unit that qualifies for the
407.8 Minnesota family investment program under chapter 256J, an assistance unit that qualifies
407.9 for general assistance under chapter 256D with an earned income of \$100 per month or
407.10 greater, or an assistance unit that qualifies for housing support under chapter 256I with an
407.11 earned income of \$100 per month or greater is subject to six-month reviews. The initial
407.12 reporting period may be shorter than six months in order to align with other programs'
407.13 reporting periods.

407.14 (b) An assistance unit that qualifies for the Minnesota family investment program or an
407.15 assistance unit that qualifies for general assistance with an earned income of \$100 per month
407.16 or greater must complete household report forms as required by the commissioner for
407.17 redetermination of benefits.

407.18 (c) An assistance unit that qualifies for housing support with an earned income of \$100
407.19 per month or greater must complete household report forms as prescribed by the
407.20 commissioner to provide information about earned income.

407.21 (d) An assistance unit that qualifies for housing support and also receives assistance
407.22 through the Minnesota family investment program shall be subject to requirements of this
407.23 section for purposes of the Minnesota family investment program but not for housing support.

407.24 (e) An assistance unit covered by this section must submit a household report form in
407.25 compliance with the provisions in section 256P.04, subdivision 11.

407.26 (f) An assistance unit covered by this section may choose to report changes under this
407.27 section at any time.

407.28 Subd. 3. When to terminate assistance. (a) An agency must terminate benefits when
407.29 the assistance unit fails to submit the household report form before the end of the six-month
407.30 review period. If the assistance unit submits the household report form within 30 days of
407.31 the termination of benefits and remains eligible, benefits must be reinstated and made
407.32 available retroactively for the full benefit month.

408.1 (b) When an assistance unit is determined to be ineligible for assistance according to
408.2 this section and chapter 256D, 256I, or 256J, the agency must terminate assistance.

408.3 **EFFECTIVE DATE.** This section is effective March 1, 2025.

408.4 Sec. 51. **COUNTY WORKER TRAINING PROGRAM PILOT.**

408.5 (a) To the extent permitted under federal law, and subject to any necessary federal
408.6 approval, the commissioner of human services must permit Anoka, Dakota, St. Louis, and
408.7 Wright Counties to operate a 12-month pilot to provide the four-day mandated training
408.8 under Minnesota Statutes, section 256.01, subdivision 2, paragraph (a), clause (1), for the
408.9 MAXIS eligibility system and Supplemental Nutrition Assistance Program (SNAP) in-house.
408.10 Counties shall be permitted to provide their own training under this section starting 30 days
408.11 after receipt of necessary federal approval and the commissioner's review and approval of
408.12 the county's training materials.

408.13 (b) The commissioner must provide oversight of the training program to ensure county
408.14 training is consistent with current curriculum. The commissioner shall determine what
408.15 oversight activities will be utilized. If there are changes in state or federal law governing
408.16 SNAP or changes are made to MAXIS, counties must not provide training until they have
408.17 updated their curriculum to address changes and the updated curriculum has been approved
408.18 by the commissioner.

408.19 (c) Counties must comply with all applicable state and federal training requirements,
408.20 including but not limited to reporting requirements. In addition, no later than 120 days
408.21 following completion of the pilot, each county permitted to conduct their own training under
408.22 this section must report to the commissioner the following data:

408.23 (1) the number of classes offered during the pilot period;

408.24 (2) the number of workers trained during the pilot period; and

408.25 (3) the number of county staff who provided training during the pilot period.

408.26 (d) Nothing in this section shall prevent the commissioner from requiring the employees
408.27 of the counties participating in the pilot from receiving mandatory training provided by the
408.28 commissioner on subjects relating to data privacy and security awareness. Prior to receiving
408.29 any in-house training provided for in paragraph (a), any county employee must first receive
408.30 all training the commissioner requires pursuant to this section.

409.1 Sec. 52. **REPEALER.**

409.2 (a) Minnesota Statutes 2022, sections 256.9864; 256J.08, subdivisions 10, 53, 61, 62,
409.3 81, and 83; 256J.30, subdivisions 5, 7, and 8; 256J.33, subdivisions 3, 4, and 5; 256J.34,
409.4 subdivisions 1, 2, 3, and 4; and 256J.37, subdivision 10, are repealed.

409.5 (b) Minnesota Statutes 2022, section 256.8799, is repealed.

409.6 **EFFECTIVE DATE.** Paragraph (a) is effective March 1, 2025, except the repeal of
409.7 Minnesota Statutes 2022, sections 256J.08, subdivisions 62 and 53, and 256J.37, subdivision
409.8 10, is effective July 1, 2024. Paragraph (b) is effective August 1, 2023.

409.9 **ARTICLE 12**409.10 **HOUSING AND HOMELESSNESS**

409.11 Section 1. Minnesota Statutes 2022, section 145.4716, subdivision 3, is amended to read:

409.12 Subd. 3. **Youth eligible for services.** Youth 24 years of age or younger ~~shall be~~ are
409.13 eligible for all services, support, and programs provided under this section and section
409.14 145.4717, and all shelter, housing beds, and services provided by the commissioner of
409.15 human services to sexually exploited youth and youth at risk of sexual exploitation under
409.16 section 256K.47.

409.17 Sec. 2. **[245.0963] CONTINUUM OF CARE GRANT PROGRAM.**

409.18 Subdivision 1. Establishment. The commissioner of human services must establish a
409.19 grant program to maintain funding for shelters and services provided to individuals
409.20 experiencing homelessness.

409.21 Subd. 2. Eligible applicants. To be eligible for a grant under this section, applicants
409.22 must be a nonprofit organization or a county. An eligible applicant must have experience
409.23 providing continuum of care services to individuals experiencing homelessness and operating
409.24 a community-wide partnership committed to ending homelessness.

409.25 Subd. 3. Application. An organization seeking a grant under this section must apply to
409.26 the commissioner at a time and in a manner specified by the commissioner.

409.27 Subd. 4. Grant activities. (a) Grant funds must be used for:

409.28 (1) maintaining funding for a 100-bed family shelter;

409.29 (2) maintaining funding to provide shelter and services for single adults, including an
409.30 expanded shelter for women;

410.1 (3) developing and operating a familiar faces pilot program for high-frequency unhoused
 410.2 clients with intensive, 24-hours-a-day, seven-days-a-week staffing;

410.3 (4) maintaining current day shelter programming; and

410.4 (5) providing outreach, support services, single point of entry, infrastructure, and extreme
 410.5 weather support.

410.6 (b) A grantee may contract with eligible nonprofit organizations and local and Tribal
 410.7 governmental agencies to provide the services listed under paragraph (a).

410.8 Subd. 5. **Reporting.** (a) The grantee must submit a report to the commissioner in a
 410.9 manner and on a timeline specified by the commissioner. The report must include how the
 410.10 grant funds were used and how many individuals were served.

410.11 (b) The commissioner must submit a report to the chairs and ranking minority members
 410.12 of the legislative committees with jurisdiction over behavioral health no later than six months
 410.13 after receiving the report under paragraph (a). The report submitted by the commissioner
 410.14 must include the information specified in paragraph (a).

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

410.16 Sec. 3. **[245.0965] OLMSTED COUNTY HOMELESSNESS GRANT PROGRAM.**

410.17 Subdivision 1. **Establishment.** The commissioner of human services must establish a
 410.18 grant program to fund and support shelters and services for persons experiencing
 410.19 homelessness in Olmsted County.

410.20 Subd. 2. **Eligible applicants.** To be eligible for a grant under this section, applicants
 410.21 must be a nonprofit organization or a county that provides shelter and services to persons
 410.22 experiencing homelessness in Olmsted County. An eligible applicant must have experience
 410.23 with services that house persons experiencing homelessness and aid transitions to permanent
 410.24 stable housing.

410.25 Subd. 3. **Application.** An organization seeking a grant under this section must apply to
 410.26 the commissioner at a time and in a manner specified by the commissioner.

410.27 Subd. 4. **Grant activities.** (a) Eligible uses of grant funds include:

410.28 (1) operations and services to maintain daytime and overnight shelter;

410.29 (2) recuperative care shelter;

410.30 (3) housing-focused case management for persons experiencing homelessness;

410.31 (4) shelter diversion services;

411.1 (5) hotel and motel vouchers;

411.2 (6) shelter for youth, including host homes;

411.3 (7) transitional housing programs;

411.4 (8) supportive staffing; and

411.5 (9) outreach services.

411.6 (b) The grantee may contract with eligible nonprofit organizations and local and Tribal
411.7 governmental agencies to provide the services specified under paragraph (a).

411.8 Subd. 5. **Reporting.** (a) The grantee must submit a report to the commissioner in a
411.9 manner and on a timeline specified by the commissioner. The report must include the number
411.10 of persons experiencing homelessness that were served and what the grant funds were used
411.11 for.

411.12 (b) The commissioner must submit a report to the chairs and ranking minority members
411.13 of the legislative committees with jurisdiction over homelessness no later than six months
411.14 after receiving the report under paragraph (a). The report submitted by the commissioner
411.15 must include the information specified in paragraph (a).

411.16 Sec. 4. **[245.0966] HENNEPIN COUNTY HOMELESSNESS GRANT PROGRAM.**

411.17 Subdivision 1. **Establishment.** The commissioner of human services must establish a
411.18 grant program to maintain funding for shelters and services provided to individuals
411.19 experiencing homelessness in Hennepin County.

411.20 Subd. 2. **Eligible applicants.** To be eligible for a grant under this section, applicants
411.21 must be a nonprofit organization or a county that provides shelter and services to persons
411.22 experiencing homelessness in Hennepin County. An eligible applicant must have experience
411.23 with services that house persons experiencing homelessness and aid transitions to permanent,
411.24 stable housing.

411.25 Subd. 3. **Application.** An organization seeking a grant under this section must apply to
411.26 the commissioner at a time and in a manner specified by the commissioner.

411.27 Subd. 4. **Grant activities.** (a) Grant funds must be used for:

411.28 (1) maintaining current shelter and homeless response programming;

411.29 (2) maintaining shelter operations and services at Avivo Village, including the shelter
411.30 comprised of 100 private dwellings and the American Indian Community Development
411.31 Corporation Homeward Bound 50-bed shelter;

412.1 (3) maintaining shelter operations and services at 24-hours-a-day, seven-days-a-week
 412.2 shelters;

412.3 (4) providing housing-focused case management; and

412.4 (5) providing shelter diversion services.

412.5 (b) A grantee may contract with eligible nonprofit organizations and local and Tribal
 412.6 governmental agencies to provide the services listed under paragraph (a).

412.7 Subd. 5. **Reporting.** (a) The grantee must submit a report to the commissioner in a
 412.8 manner and on a timeline specified by the commissioner. The report must include how the
 412.9 grant funds were used and how many persons experiencing homelessness were served.

412.10 (b) The commissioner must submit a report to the chairs and ranking minority members
 412.11 of the legislative committees with jurisdiction over homelessness no later than six months
 412.12 after receiving the report under paragraph (a). The report submitted by the commissioner
 412.13 must include the information specified in paragraph (a).

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

412.15 Sec. 5. Minnesota Statutes 2022, section 256I.04, subdivision 1, is amended to read:

412.16 Subdivision 1. **Individual eligibility requirements.** An individual is eligible for and
 412.17 entitled to a housing support payment to be made on the individual's behalf if the agency
 412.18 has approved the setting where the individual will receive housing support and the individual
 412.19 meets the requirements in paragraph (a), (b), ~~or (c)~~, or (d).

412.20 (a) The individual is aged, blind, or is over 18 years of age with a disability as determined
 412.21 under the criteria used by the title II program of the Social Security Act, and meets the
 412.22 resource restrictions and standards of section 256P.02, and the individual's countable income
 412.23 after deducting the (1) exclusions and disregards of the SSI program, (2) the medical
 412.24 assistance personal needs allowance under section 256B.35, and (3) an amount equal to the
 412.25 income actually made available to a community spouse by an elderly waiver participant
 412.26 under the provisions of sections 256B.0575, paragraph (a), clause (4), and 256B.058,
 412.27 subdivision 2, is less than the monthly rate specified in the agency's agreement with the
 412.28 provider of housing support in which the individual resides.

412.29 (b) The individual meets a category of eligibility under section 256D.05, subdivision 1,
 412.30 paragraph (a), clauses (1), (3), (4) to (8), and (13), and paragraph (b), if applicable, and the
 412.31 individual's resources are less than the standards specified by section 256P.02, and the
 412.32 individual's countable income as determined under section 256P.06, less the medical

413.1 assistance personal needs allowance under section 256B.35 is less than the monthly rate
413.2 specified in the agency's agreement with the provider of housing support in which the
413.3 individual resides.

413.4 (c) The individual lacks a fixed, adequate, nighttime residence upon discharge from a
413.5 residential behavioral health treatment program, as determined by treatment staff from the
413.6 residential behavioral health treatment program. An individual is eligible under this paragraph
413.7 for up to three months, including a full or partial month from the individual's move-in date
413.8 at a setting approved for housing support following discharge from treatment, plus two full
413.9 months.

413.10 (d) The individual meets the criteria related to establishing a certified disability or
413.11 disabling condition in paragraph (a) or (b) and lacks a fixed, adequate, nighttime residence
413.12 upon discharge from a correctional facility, as determined by an authorized representative
413.13 from a Minnesota-based correctional facility. An individual is eligible under this paragraph
413.14 for up to three months, including a full or partial month from the individual's move-in date
413.15 at a setting approved for housing support following release, plus two full months. People
413.16 who meet the disabling condition criteria established in paragraph (a) or (b) will not have
413.17 any countable income for the duration of eligibility under this paragraph.

413.18 Sec. 6. **[256K.47] SAFE HARBOR SHELTER AND HOUSING.**

413.19 Subdivision 1. **Grant program established.** The commissioner of human services must
413.20 establish a safe harbor shelter and housing grant program. Under this grant program, the
413.21 commissioner must award grants to providers who are committed to serving sexually
413.22 exploited youth and youth at risk of sexual exploitation. Grantees must use grant money to
413.23 provide street and community outreach programs, emergency shelter programs, or supportive
413.24 housing programs consistent with the program descriptions in this section to address the
413.25 specialized outreach, shelter, and housing needs of sexually exploited youth and youth at
413.26 risk of sexual exploitation.

413.27 Subd. 2. **Youth eligible services.** Youth 24 years of age or younger are eligible for all
413.28 shelter, housing beds, and services provided under this section and all services, support,
413.29 and programs provided by the commissioner of health to sexually exploited youth and youth
413.30 at risk of sexual exploitation under sections 145.4716 and 145.4717.

413.31 Subd. 3. **Street and community outreach.** (a) Street and community outreach programs
413.32 must locate, contact, and provide information, referrals, and services to eligible youth.

414.1 (b) Information, referrals, and services provided by street and community outreach
414.2 programs may include but are not limited to:

414.3 (1) family reunification services;

414.4 (2) conflict resolution or mediation counseling;

414.5 (3) assistance in obtaining temporary emergency shelter;

414.6 (4) assistance in obtaining food, clothing, medical care, or mental health counseling;

414.7 (5) counseling regarding violence, sexual exploitation, substance use, sexually transmitted
414.8 infections, and pregnancy;

414.9 (6) referrals to other agencies that provide support services to sexually exploited youth
414.10 and youth at risk of sexual exploitation;

414.11 (7) assistance with education, employment, and independent living skills;

414.12 (8) aftercare services;

414.13 (9) specialized services for sexually exploited youth and youth at risk of sexual
414.14 exploitation, including youth experiencing homelessness and youth with mental health
414.15 needs; and

414.16 (10) services to address the prevention of sexual exploitation and homelessness.

414.17 Subd. 4. **Emergency shelter program.** (a) Emergency shelter programs must provide
414.18 eligible youth with referral and walk-in access to emergency short-term residential care.
414.19 The program shall provide eligible youth with safe and dignified shelter that includes private
414.20 shower facilities, beds, and meals each day and must assist eligible youth with reunification
414.21 with that youth's family or legal guardian when required or appropriate.

414.22 (b) The services provided at emergency shelters may include but are not limited to:

414.23 (1) specialized services to address the trauma of sexual exploitation;

414.24 (2) family reunification services;

414.25 (3) individual, family, and group counseling;

414.26 (4) assistance obtaining clothing;

414.27 (5) access to medical and dental care and mental health counseling;

414.28 (6) counseling regarding violence, sexual exploitation, substance use, sexually transmitted
414.29 infections, and pregnancy;

414.30 (7) education and employment services;

- 415.1 (8) recreational activities;
- 415.2 (9) advocacy and referral services;
- 415.3 (10) independent living skills training;
- 415.4 (11) aftercare and follow-up services;
- 415.5 (12) transportation; and
- 415.6 (13) services to address the prevention of sexual exploitation and homelessness.

415.7 Subd. 5. **Supportive housing programs.** (a) Supportive housing programs must help

415.8 eligible youth find and maintain safe and dignified housing and provide related supportive

415.9 services and referrals. Supportive housing programs may also provide rental assistance.

415.10 (b) The services provided in supportive housing programs may include but are not limited

415.11 to:

- 415.12 (1) specialized services to address the trauma of sexual exploitation;
- 415.13 (2) education and employment services;
- 415.14 (3) budgeting and money management;
- 415.15 (4) assistance in securing housing appropriate to needs and income;
- 415.16 (5) counseling regarding violence, sexual exploitation, substance use, sexually transmitted
- 415.17 infections, and pregnancy;
- 415.18 (6) referral for medical services or chemical dependency treatment;
- 415.19 (7) parenting skills;
- 415.20 (8) self-sufficiency support services and independent living skills training;
- 415.21 (9) aftercare and follow-up services; and
- 415.22 (10) services to address the prevention of sexual exploitation and homelessness
- 415.23 prevention.

415.24 Subd. 6. **Funding.** Funds appropriated for this section may be expended on programs

415.25 described in subdivisions 3 to 5, technical assistance, and capacity building to meet the

415.26 greatest need on a statewide basis.

415.27 Sec. 7. **[256K.50] FAMILY SUPPORTIVE HOUSING.**

415.28 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

416.1 (b) "Family" means a nontemporary household unit that includes at least one child and
416.2 one parent or legal guardian.

416.3 (c) "Family permanent supportive housing" means housing that:

416.4 (1) is not time limited;

416.5 (2) is affordable for those at or below 30 percent of the area median income;

416.6 (3) offers specialized support services to residents tailored to the needs of children and
416.7 families; and

416.8 (4) is available to families with multiple barriers to obtaining and maintaining housing,
416.9 including but not limited to those who are homeless or at risk of homelessness; those with
416.10 mental illness, substance use disorders, and other disabilities; and those referred by child
416.11 protection services.

416.12 (d) "Resident" means a resident of family permanent supportive housing.

416.13 Subd. 2. **Specialized family support services.** Specialized family support services are
416.14 nonmandatory, trauma-informed, and culturally appropriate services designed to help family
416.15 residents maintain secure, dignified housing and provide a safe, stable environment for
416.16 children. Services provided may include but are not limited to:

416.17 (1) age-appropriate child-centric services for education and enrichment;

416.18 (2) stabilization services such as:

416.19 (i) educational assessment and referrals to educational programs;

416.20 (ii) career planning, work skill training, job placement, and employment retention;

416.21 (iii) budgeting and money management;

416.22 (iv) referral for counseling regarding violence and sexual exploitation;

416.23 (v) referral for medical or psychiatric services or substance use disorder treatment;

416.24 (vi) parenting skills training;

416.25 (vii) self-sufficiency support services or life skill training, including tenant education
416.26 and support to sustain housing; and

416.27 (viii) aftercare and follow-up services; and

416.28 (3) 24-hour-a-day, seven-day-a-week on-site staffing including but not limited to front
416.29 desk and security.

417.1 Subd. 3. **Funding.** Funds appropriated for this section may be expended on programs
417.2 described under subdivision 2, technical assistance, and capacity building to meet the greatest
417.3 need on a statewide basis. The commissioner must provide outreach, technical assistance,
417.4 and program development support to increase capacity to new and existing service providers
417.5 to better meet needs statewide.

417.6 Sec. 8. Laws 2021, First Special Session chapter 7, article 17, section 5, subdivision 1, is
417.7 amended to read:

417.8 Subdivision 1. **Housing transition cost.** (a) This act includes \$682,000 in fiscal year
417.9 2022 and \$1,637,000 in fiscal year 2023 for a onetime payment per transition of up to \$3,000
417.10 to cover costs associated with moving to a community setting that are not covered by other
417.11 sources. Covered costs include: (1) lease or rent deposits; (2) security deposits; (3) utilities
417.12 setup costs, including telephone and Internet services; and (4) essential furnishings and
417.13 supplies. The commissioner of human services shall seek an amendment to the medical
417.14 assistance state plan to allow for these payments as a housing stabilization service under
417.15 Minnesota Statutes, section 256B.051. The general fund base in this act for this purpose is
417.16 \$1,227,000 in fiscal year 2024 and \$0 in fiscal year 2025.

417.17 ~~(b) This subdivision expires March 31, 2024.~~

417.18 (b) An individual is only eligible for a housing transition cost payment if the individual
417.19 is moving from an institution or provider-controlled setting into their own home.

417.20 **EFFECTIVE DATE.** This section is effective upon federal approval.

417.21 Sec. 9. **HOMELESS YOUTH CASH STIPEND PILOT PROJECT.**

417.22 Subdivision 1. **Pilot project established.** The commissioner of human services shall
417.23 establish a homeless youth cash stipend pilot project to provide a direct cash stipend to
417.24 homeless youth in Hennepin and St. Louis Counties. The pilot project must be designed to
417.25 meet the needs of underserved communities.

417.26 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
417.27 meanings given.

417.28 (b) "Commissioner" means the commissioner of human services.

417.29 (c) "Homeless youth" means a person 18 to 24 years of age who lacks a fixed, regular,
417.30 and adequate nighttime residence. The following are not fixed, regular, or adequate nighttime
417.31 residences:

418.1 (1) a supervised publicly or privately operated shelter designed to provide temporary
418.2 living accommodations;

418.3 (2) an institution or a publicly or privately operated shelter designed to provide temporary
418.4 living accommodations;

418.5 (3) transitional housing;

418.6 (4) a temporary placement with a peer, friend, or family member that has not offered
418.7 permanent residence, a residential lease, or temporary lodging for more than 30 days; or

418.8 (5) a public or private place not designed for, nor ordinarily used as, a regular sleeping
418.9 accommodation for human beings.

418.10 Subd. 3. **Administration.** The commissioner, as authorized by Minnesota Statutes,
418.11 section 256.01, subdivision 2, paragraph (a), clause (6), shall contract with Youthprise to:

418.12 (1) identify eligible homeless youth under this section;

418.13 (2) provide technical assistance to cash stipend recipients;

418.14 (3) engage with cash stipend recipients to develop youth-designed optional services;

418.15 (4) evaluate the efficacy and cost-effectiveness of the pilot program;

418.16 (5) collaborate with youth leaders of each county to identify and contract with the
418.17 appropriate service providers to offer financial coaching, housing navigation, employment,
418.18 education services, and trauma-informed mentoring and support; and

418.19 (6) submit annual updates and a final report to the commissioner.

418.20 Subd. 4. **Eligibility.** Homeless youth who are 18 to 24 years of age and who live in
418.21 Hennepin or St. Louis County at the time of initial enrollment are eligible to participate in
418.22 the pilot project.

418.23 Subd. 5. **Cash stipend.** The commissioner, in consultation with Youthprise and Hennepin
418.24 and St. Louis Counties, shall establish a stipend amount for eligible homeless youth who
418.25 participate in the pilot project.

418.26 Subd. 6. **Stipends not to be considered income.** (a) Notwithstanding any law to the
418.27 contrary, cash stipends under this section must not be considered income, assets, or personal
418.28 property for purposes of determining eligibility or recertifying eligibility for:

418.29 (1) child care assistance programs under Minnesota Statutes, chapter 119B;

418.30 (2) general assistance, Minnesota supplemental aid, and food support under Minnesota
418.31 Statutes, chapter 256D;

419.1 (3) housing support under Minnesota Statutes, chapter 256I;

419.2 (4) the Minnesota family investment program and diversionary work program under
419.3 Minnesota Statutes, chapter 256J; and

419.4 (5) economic assistance programs under Minnesota Statutes, chapter 256P.

419.5 (b) The commissioner must not consider cash stipends under this section as income or
419.6 assets for medical assistance under Minnesota Statutes, section 256B.056, subdivision 1a,
419.7 paragraph (a); 3; or 3c.

419.8 Subd. 7. Report. The commissioner, in cooperation with Youthprise and Hennepin and
419.9 St. Louis Counties, shall submit an annual report on Youthprise's findings regarding the
419.10 efficacy and cost-effectiveness of the homeless youth cash stipend pilot project to the chairs
419.11 and ranking minority members of the legislative committees with jurisdiction over homeless
419.12 youth policy and finance by January 15, 2024, and each January 15 thereafter.

419.13 Subd. 8. Expiration. This section expires June 30, 2027.

419.14 **Sec. 10. HOUSING STABILIZATION SERVICES INFLATIONARY**
419.15 **ADJUSTMENT.**

419.16 The commissioner of human services shall seek federal approval to apply biennial
419.17 inflationary updates to housing stabilization services rates based on the consumer price
419.18 index. Beginning January 1, 2024, the commissioner must update rates using the most
419.19 recently available data from the consumer price index.

419.20 EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval,
419.21 whichever is later. The commissioner shall notify the revisor of statutes when federal
419.22 approval is obtained.

419.23 **ARTICLE 13**

419.24 **CHILDREN AND FAMILIES**

419.25 Section 1. Minnesota Statutes 2022, section 4.045, is amended to read:

419.26 **4.045 CHILDREN'S CABINET.**

419.27 The Children's Cabinet shall consist of the commissioners of education; human services;
419.28 employment and economic development; public safety; corrections; management and
419.29 budget; health; administration; Housing Finance Agency, and; transportation; and the
419.30 ~~director of the Office of Strategic and Long-Range Planning~~ children, youth, and families.

420.1 The governor shall designate one member to serve as cabinet chair. The chair is responsible
420.2 for ensuring that the duties of the Children's Cabinet are performed.

420.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

420.4 Sec. 2. Minnesota Statutes 2022, section 10.65, subdivision 2, is amended to read:

420.5 Subd. 2. **Definitions.** (a) As used in this section, the following terms have the meanings
420.6 given:

420.7 (1) "agency" means the Department of Administration; Department of Agriculture;
420.8 Department of Children, Youth, and Families; Department of Commerce; Department of
420.9 Corrections; Department of Education; Department of Employment and Economic
420.10 Development; Department of Health; Office of Higher Education; Housing Finance
420.11 Agency; Department of Human Rights; Department of Human Services; Department of
420.12 Information Technology Services; Department of Iron Range Resources and Rehabilitation;
420.13 Department of Labor and Industry; Minnesota Management and Budget; Bureau of
420.14 Mediation Services; Department of Military Affairs; Metropolitan Council; Department
420.15 of Natural Resources; Pollution Control Agency; Department of Public Safety; Department
420.16 of Revenue; Department of Transportation; Department of Veterans Affairs; Gambling
420.17 Control Board; Racing Commission; the Minnesota Lottery; the Animal Health Board;
420.18 and the Board of Water and Soil Resources;

420.19 (2) "consultation" means the direct and interactive involvement of the Minnesota Tribal
420.20 governments in the development of policy on matters that have Tribal implications.
420.21 Consultation is the proactive, affirmative process of identifying and seeking input from
420.22 appropriate Tribal governments and considering their interest as a necessary and integral
420.23 part of the decision-making process. This definition adds to statutorily mandated notification
420.24 procedures. During a consultation, the burden is on the agency to show that it has made a
420.25 good faith effort to elicit feedback. Consultation is a formal engagement between agency
420.26 officials and the governing body or bodies of an individual Minnesota Tribal government
420.27 that the agency or an individual Tribal government may initiate. Formal meetings or
420.28 communication between top agency officials and the governing body of a Minnesota Tribal
420.29 government is a necessary element of consultation;

420.30 (3) "matters that have Tribal implications" means rules, legislative proposals, policy
420.31 statements, or other actions that have substantial direct effects on one or more Minnesota
420.32 Tribal governments, or on the distribution of power and responsibilities between the state
420.33 and Minnesota Tribal governments;

421.1 (4) "Minnesota Tribal governments" means the federally recognized Indian Tribes located
 421.2 in Minnesota including: Bois Forte Band; Fond Du Lac Band; Grand Portage Band; Leech
 421.3 Lake Band; Mille Lacs Band; White Earth Band; Red Lake Nation; Lower Sioux Indian
 421.4 Community; Prairie Island Indian Community; Shakopee Mdewakanton Sioux Community;
 421.5 and Upper Sioux Community; and

421.6 (5) "timely and meaningful" means done or occurring at a favorable or useful time that
 421.7 allows the result of consultation to be included in the agency's decision-making process for
 421.8 a matter that has Tribal implications.

421.9 **EFFECTIVE DATE.** This section is effective July 1, 2024.

421.10 Sec. 3. Minnesota Statutes 2022, section 15.01, is amended to read:

421.11 **15.01 DEPARTMENTS OF THE STATE.**

421.12 The following agencies are designated as the departments of the state government: the
 421.13 Department of Administration; the Department of Agriculture; the Department of Children,
 421.14 Youth, and Families; the Department of Commerce; the Department of Corrections; the
 421.15 Department of Education; the Department of Employment and Economic Development;
 421.16 the Department of Health; the Department of Human Rights; the Department of Information
 421.17 Technology Services; the Department of Iron Range Resources and Rehabilitation; the
 421.18 Department of Labor and Industry; the Department of Management and Budget; the
 421.19 Department of Military Affairs; the Department of Natural Resources; the Department of
 421.20 Public Safety; the Department of Human Services; the Department of Revenue; the
 421.21 Department of Transportation; the Department of Veterans Affairs; and their successor
 421.22 departments.

421.23 **EFFECTIVE DATE.** This section is effective July 1, 2024.

421.24 Sec. 4. Minnesota Statutes 2022, section 15.06, subdivision 1, is amended to read:

421.25 Subdivision 1. **Applicability.** This section applies to the following departments or
 421.26 agencies: the Departments of Administration;₂ Agriculture;₂ Children, Youth, and Families;
 421.27 Commerce;₂ Corrections;₂ Education;₂ Employment and Economic Development;₂ Health;₂
 421.28 Human Rights;₂ Labor and Industry;₂ Management and Budget;₂ Natural Resources;₂ Public
 421.29 Safety;₂ Human Services;₂ Revenue;₂ Transportation;₂ and Veterans Affairs; the Housing
 421.30 Finance and Pollution Control Agencies; the Office of Commissioner of Iron Range
 421.31 Resources and Rehabilitation; the Department of Information Technology Services; the

422.1 Bureau of Mediation Services; and their successor departments and agencies. The heads of
422.2 the foregoing departments or agencies are "commissioners."

422.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

422.4 Sec. 5. Minnesota Statutes 2022, section 15A.0815, subdivision 2, is amended to read:

422.5 Subd. 2. **Group I salary limits.** The salary for a position listed in this subdivision shall
422.6 not exceed 133 percent of the salary of the governor. This limit must be adjusted annually
422.7 on January 1. The new limit must equal the limit for the prior year increased by the percentage
422.8 increase, if any, in the Consumer Price Index for all urban consumers from October of the
422.9 second prior year to October of the immediately prior year. The commissioner of management
422.10 and budget must publish the limit on the department's website. This subdivision applies to
422.11 the following positions:

422.12 Commissioner of administration;

422.13 Commissioner of agriculture;

422.14 Commissioner of education;

422.15 Commissioner of children, youth, and families;

422.16 Commissioner of commerce;

422.17 Commissioner of corrections;

422.18 Commissioner of health;

422.19 Commissioner, Minnesota Office of Higher Education;

422.20 Commissioner, Housing Finance Agency;

422.21 Commissioner of human rights;

422.22 Commissioner of human services;

422.23 Commissioner of labor and industry;

422.24 Commissioner of management and budget;

422.25 Commissioner of natural resources;

422.26 Commissioner, Pollution Control Agency;

422.27 Commissioner of public safety;

422.28 Commissioner of revenue;

422.29 Commissioner of employment and economic development;

423.1 Commissioner of transportation; and

423.2 Commissioner of veterans affairs.

423.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

423.4 Sec. 6. Minnesota Statutes 2022, section 43A.08, subdivision 1a, is amended to read:

423.5 Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following
423.6 agencies may designate additional unclassified positions according to this subdivision: the
423.7 Departments of Administration; Agriculture; Children, Youth, and Families; Commerce;
423.8 Corrections; Education; Employment and Economic Development; Explore Minnesota
423.9 Tourism; Management and Budget; Health; Human Rights; Labor and Industry; Natural
423.10 Resources; Public Safety; Human Services; Revenue; Transportation; and Veterans Affairs;
423.11 the Housing Finance and Pollution Control Agencies; the State Lottery; the State Board of
423.12 Investment; the Office of Administrative Hearings; the Department of Information
423.13 Technology Services; the Offices of the Attorney General, Secretary of State, and State
423.14 Auditor; the Minnesota State Colleges and Universities; the Minnesota Office of Higher
423.15 Education; the Perpich Center for Arts Education; and the Minnesota Zoological Board.

423.16 A position designated by an appointing authority according to this subdivision must
423.17 meet the following standards and criteria:

423.18 (1) the designation of the position would not be contrary to other law relating specifically
423.19 to that agency;

423.20 (2) the person occupying the position would report directly to the agency head or deputy
423.21 agency head and would be designated as part of the agency head's management team;

423.22 (3) the duties of the position would involve significant discretion and substantial
423.23 involvement in the development, interpretation, and implementation of agency policy;

423.24 (4) the duties of the position would not require primarily personnel, accounting, or other
423.25 technical expertise where continuity in the position would be important;

423.26 (5) there would be a need for the person occupying the position to be accountable to,
423.27 loyal to, and compatible with, the governor and the agency head, the employing statutory
423.28 board or commission, or the employing constitutional officer;

423.29 (6) the position would be at the level of division or bureau director or assistant to the
423.30 agency head; and

423.31 (7) the commissioner has approved the designation as being consistent with the standards
423.32 and criteria in this subdivision.

424.1 **EFFECTIVE DATE.** This section is effective July 1, 2024.

424.2 Sec. 7. Minnesota Statutes 2022, section 119B.011, subdivision 2, is amended to read:

424.3 Subd. 2. **Applicant.** "Child care fund applicants" means all parents;² stepparents;² legal
 424.4 guardians;~~or~~² eligible relative caregivers ~~who are~~; relative custodians who accepted a transfer
 424.5 of permanent legal and physical custody of a child under section 260C.515, subdivision 4,
 424.6 or similar permanency disposition in Tribal code; successor custodians or guardians as
 424.7 established by section 256N.22, subdivision 10; or foster parents providing care to a child
 424.8 placed in a family foster home under section 260C.007, subdivision 16b. Applicants must
 424.9 be members of the family and reside in the household that applies for child care assistance
 424.10 under the child care fund.

424.11 **EFFECTIVE DATE.** This section is effective August 25, 2024.

424.12 Sec. 8. Minnesota Statutes 2022, section 119B.011, subdivision 5, is amended to read:

424.13 Subd. 5. **Child care.** "Child care" means the care of a child by someone other than a
 424.14 parent;² stepparent;² legal guardian;² eligible relative caregiver;² relative custodian who
 424.15 accepted a transfer of permanent legal and physical custody of a child under section
 424.16 260C.515, subdivision 4, or similar permanency disposition in Tribal code; successor
 424.17 custodian or guardian as established according to section 256N.22, subdivision 10; foster
 424.18 parent providing care to a child placed in a family foster home under section 260C.007,
 424.19 subdivision 16b; or the spouses spouse of any of the foregoing in or outside the child's own
 424.20 home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

424.21 **EFFECTIVE DATE.** This section is effective August 25, 2024.

424.22 Sec. 9. Minnesota Statutes 2022, section 119B.011, subdivision 13, is amended to read:

424.23 Subd. 13. **Family.** "Family" means parents;² stepparents;² guardians and their spouses;
 424.24 ~~or~~² other eligible relative caregivers and their spouses;² relative custodians who accepted a
 424.25 transfer of permanent legal and physical custody of a child under section 260C.515,
 424.26 subdivision 4, or similar permanency disposition in Tribal code, and their spouses; successor
 424.27 custodians or guardians as established by section 256N.22, subdivision 10, and their spouses;
 424.28 foster parents providing care to a child placed in a family foster home under section
 424.29 260C.007, subdivision 16b, and their spouses; and ~~their blood-related~~ the blood-related
 424.30 dependent children and adoptive siblings under the age of 18 years living in the same home
 424.31 including as any of the above. Family includes children temporarily absent from the
 424.32 household in settings such as schools, foster care, and residential treatment facilities ~~or~~

425.1 ~~parents, stepparents, guardians and their spouses, or other relative caregivers and their~~
 425.2 ~~spouses~~ and adults temporarily absent from the household in settings such as schools, military
 425.3 service, or rehabilitation programs. An adult family member who is not in an authorized
 425.4 activity under this chapter may be temporarily absent for up to 60 days. When a minor
 425.5 parent or parents and his, her, or their child or children are living with other relatives, and
 425.6 the minor parent or parents apply for a child care subsidy, "family" means only the minor
 425.7 parent or parents and their child or children. An adult age 18 or older who meets this
 425.8 definition of family and is a full-time high school or postsecondary student may be considered
 425.9 a dependent member of the family unit if 50 percent or more of the adult's support is provided
 425.10 by the ~~parents;~~ ~~stepparents;~~ ~~guardians and their spouses;~~ relative custodians who accepted
 425.11 a transfer of permanent legal and physical custody of a child under section 260C.515,
 425.12 subdivision 4, or similar permanency disposition in Tribal code, and their spouses; successor
 425.13 custodians or guardians as established by section 256N.22, subdivision 10, and their spouses;
 425.14 foster parents providing care to a child placed in a family foster home under section
 425.15 260C.007, subdivision 16b, and their spouses; or eligible relative caregivers and their spouses
 425.16 residing in the same household.

425.17 **EFFECTIVE DATE.** This section is effective August 25, 2024.

425.18 Sec. 10. Minnesota Statutes 2022, section 119B.03, subdivision 4a, is amended to read:

425.19 Subd. 4a. ~~Temporary reprioritization~~ **Funding priorities.** (a) ~~Notwithstanding~~
 425.20 ~~subdivision 4~~ In the event that inadequate funding necessitates the use of waiting lists,
 425.21 priority for child care assistance under the basic sliding fee assistance program shall be
 425.22 determined according to this subdivision ~~beginning July 1, 2021, through May 31, 2024.~~

425.23 (b) First priority must be given to eligible non-MFIP families who do not have a high
 425.24 school diploma or commissioner of education-selected high school equivalency certification
 425.25 or who need remedial and basic skill courses in order to pursue employment or to pursue
 425.26 education leading to employment and who need child care assistance to participate in the
 425.27 education program. This includes student parents as defined under section 119B.011,
 425.28 subdivision 19b. Within this priority, the following subpriorities must be used:

425.29 (1) child care needs of minor parents;

425.30 (2) child care needs of parents under 21 years of age; and

425.31 (3) child care needs of other parents within the priority group described in this paragraph.

425.32 (c) Second priority must be given to families in which at least one parent is a veteran,
 425.33 as defined under section 197.447.

426.1 (d) Third priority must be given to eligible families who do not meet the specifications
426.2 of paragraph (b), (c), (e), or (f).

426.3 (e) Fourth priority must be given to families who are eligible for portable basic sliding
426.4 fee assistance through the portability pool under subdivision 9.

426.5 (f) Fifth priority must be given to eligible families receiving services under section
426.6 119B.011, subdivision 20a, if the parents have completed their MFIP or DWP transition
426.7 year, or if the parents are no longer receiving or eligible for DWP supports.

426.8 (g) Families under paragraph (f) must be added to the basic sliding fee waiting list on
426.9 the date they complete their transition year under section 119B.011, subdivision 20.

426.10 **EFFECTIVE DATE.** This section is effective July 1, 2023.

426.11 Sec. 11. Minnesota Statutes 2022, section 119B.13, subdivision 1, is amended to read:

426.12 Subdivision 1. **Subsidy restrictions.** (a) Beginning ~~November 15, 2021~~ October 30,
426.13 2023, the maximum rate paid for child care assistance in any county or county price cluster
426.14 under the child care fund shall be:

426.15 ~~(1) for all infants and toddlers, the greater of the 40th 75th percentile of the 2021 child~~
426.16 ~~care provider rate survey or the rates in effect at the time of the update; and.~~

426.17 ~~(2) for all preschool and school-age children, the greater of the 30th percentile of the~~
426.18 ~~2021 child care provider rate survey or the rates in effect at the time of the update.~~

426.19 (b) Beginning the first full service period on or after January 1, 2025, and every three
426.20 years thereafter, the maximum rate paid for child care assistance in a county or county price
426.21 cluster under the child care fund shall be:

426.22 ~~(1) for all infants and toddlers, the greater of the 40th 75th percentile of the 2024 most~~
426.23 ~~recent child care provider rate survey or the rates in effect at the time of the update; and.~~

426.24 ~~(2) for all preschool and school-age children, the greater of the 30th percentile of the~~
426.25 ~~2024 child care provider rate survey or the rates in effect at the time of the update.~~

426.26 The rates under paragraph (a) continue until the rates under this paragraph go into effect.

426.27 (c) For a child care provider located within the boundaries of a city located in two or
426.28 more of the counties of Benton, Sherburne, and Stearns, the maximum rate paid for child
426.29 care assistance shall be equal to the maximum rate paid in the county with the highest
426.30 maximum reimbursement rates or the provider's charge, whichever is less. The commissioner

427.1 may: (1) assign a county with no reported provider prices to a similar price cluster; and (2)
427.2 consider county level access when determining final price clusters.

427.3 (d) A rate which includes a special needs rate paid under subdivision 3 may be in excess
427.4 of the maximum rate allowed under this subdivision.

427.5 (e) The department shall monitor the effect of this paragraph on provider rates. The
427.6 county shall pay the provider's full charges for every child in care up to the maximum
427.7 established. The commissioner shall determine the maximum rate for each type of care on
427.8 an hourly, full-day, and weekly basis, including special needs and disability care.

427.9 (f) If a child uses one provider, the maximum payment for one day of care must not
427.10 exceed the daily rate. The maximum payment for one week of care must not exceed the
427.11 weekly rate.

427.12 (g) If a child uses two providers under section 119B.097, the maximum payment must
427.13 not exceed:

427.14 (1) the daily rate for one day of care;

427.15 (2) the weekly rate for one week of care by the child's primary provider; and

427.16 (3) two daily rates during two weeks of care by a child's secondary provider.

427.17 (h) Child care providers receiving reimbursement under this chapter must not be paid
427.18 activity fees or an additional amount above the maximum rates for care provided during
427.19 nonstandard hours for families receiving assistance.

427.20 (i) If the provider charge is greater than the maximum provider rate allowed, the parent
427.21 is responsible for payment of the difference in the rates in addition to any family co-payment
427.22 fee.

427.23 (j) Beginning October 30, 2023, the maximum registration fee paid for child care
427.24 assistance in any county or county price cluster under the child care fund shall be set as
427.25 follows: ~~(1) beginning November 15, 2021~~, the greater of the ~~40th~~ 75th percentile of the
427.26 ~~2021~~ most recent child care provider rate survey or the registration fee in effect at the time
427.27 of the update; ~~and (2) beginning the first full service period on or after January 1, 2025~~, the
427.28 ~~maximum registration fee shall be the greater of the 40th percentile of the 2024 child care~~
427.29 ~~provider rate survey or the registration fee in effect at the time of the update. The registration~~
427.30 ~~fees under clause (1) continue until the registration fees under clause (2) go into effect.~~

427.31 (k) Maximum registration fees must be set for licensed family child care and for child
427.32 care centers. For a child care provider located in the boundaries of a city located in two or

428.1 more of the counties of Benton, Sherburne, and Stearns, the maximum registration fee paid
428.2 for child care assistance shall be equal to the maximum registration fee paid in the county
428.3 with the highest maximum registration fee or the provider's charge, whichever is less.

428.4 **Sec. 12. [119B.196] FAMILY, FRIEND, AND NEIGHBOR GRANT PROGRAM.**

428.5 Subdivision 1. **Establishment.** The commissioner of human services shall establish a
428.6 family, friend, and neighbor (FFN) grant program to promote children's social-emotional
428.7 learning and healthy development, early literacy, and other skills to succeed as learners and
428.8 to foster community partnerships that will help children thrive when they enter school.

428.9 Subd. 2. **Grant awards.** The commissioner may award grants under this section to the
428.10 following entities working with FFN caregivers: community-based organizations, nonprofit
428.11 organizations, local or regional libraries, local public health agencies, and Indian Tribes
428.12 and Tribal organizations. Grantees may use grant money received under this section to:

428.13 (1) provide culturally and linguistically appropriate training, support, and resources to
428.14 FFN caregivers and children's families to improve and promote children's health, safety,
428.15 nutrition, and learning;

428.16 (2) connect FFN caregivers and children's families with community resources that support
428.17 the families' physical and mental health and economic and developmental needs;

428.18 (3) connect FFN caregivers and children's families to early childhood screening programs
428.19 and facilitate referrals to state and local agencies, schools, community organizations, and
428.20 medical providers, as appropriate;

428.21 (4) provide FFN caregivers and children's families with information about high-quality,
428.22 community-based early care and learning programs and financial assistance available to the
428.23 families, including but not limited to child care assistance under chapter 119B and early
428.24 learning scholarships under section 124D.165;

428.25 (5) provide FFN caregivers with information about registering as a legal nonlicensed
428.26 child care provider under section 119B.011, subdivision 16, and establishing a licensed
428.27 family or group family child care program;

428.28 (6) provide transportation for FFN caregivers and children's families to educational and
428.29 other early childhood training activities;

428.30 (7) translate materials for FFN caregivers and children's families and provide translation
428.31 services to FFN caregivers and children's families;

429.1 (8) develop and disseminate social-emotional learning, health and safety, and early
429.2 learning kits to FFN caregivers; and

429.3 (9) establish play and learning groups for FFN caregivers.

429.4 Subd. 3. **Administration.** Applicants must apply for the grants using the forms and
429.5 according to timelines established by the commissioner.

429.6 Subd. 4. **Reporting requirements.** (a) Grantees shall provide data and program outcomes
429.7 to the commissioner in a form and manner specified by the commissioner for the purpose
429.8 of evaluating the grant program.

429.9 (b) Beginning February 1, 2024, and every two years thereafter, the commissioner shall
429.10 report to the legislature on program outcomes.

429.11 **Sec. 13. [143.01] DEFINITIONS.**

429.12 Subdivision 1. **Application.** The definitions in this section apply to this chapter.

429.13 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of children, youth,
429.14 and families.

429.15 Subd. 3. **Department.** "Department" means the Department of Children, Youth, and
429.16 Families.

429.17 **EFFECTIVE DATE.** This section is effective July 1, 2024.

429.18 **Sec. 14. [143.02] CREATION OF THE DEPARTMENT OF CHILDREN, YOUTH,**
429.19 **AND FAMILIES.**

429.20 Subdivision 1. **Department.** The Department of Children, Youth, and Families is
429.21 established.

429.22 Subd. 2. **Transfer and restructuring provisions.** The restructuring of agencies under
429.23 this act must be conducted in accordance with sections 15.039 and 43A.045.

429.24 Subd. 3. **Successor and employee protection clause.** (a) Personnel relating to the
429.25 functions assigned to the commissioner in section 143.03 are transferred to the department
429.26 effective 30 days after approval by the commissioner.

429.27 (b) Before the commissioner's appointment, personnel relating to the functions in this
429.28 section may be transferred beginning July 1, 2024, with 30 days' notice from the
429.29 commissioner of management and budget.

430.1 (c) All employees transferred to the department remain in the same employment status,
430.2 bargaining unit, and civil service protection as the employees had before the transfer. All
430.3 collective bargaining agreements that cover any employee of the Departments of Human
430.4 Services, Education, Health, or Public Safety who is transferred to the Department of
430.5 Children, Youth, and Families remain in effect.

430.6 **EFFECTIVE DATE.** This section is effective July 1, 2024.

430.7 **Sec. 15. [143.03] COMMISSIONER.**

430.8 Subdivision 1. **General.** The department is under the administrative control of the
430.9 commissioner. The commissioner is appointed by the governor with the advice and consent
430.10 of the senate. The commissioner has the general powers provided in section 15.06,
430.11 subdivision 6. The commissioner's salary must be established according to the procedure
430.12 in section 15A.0815, subdivision 5, in the same range as specified for the commissioner of
430.13 management and budget.

430.14 Subd. 2. **Duties of the commissioner.** (a) The commissioner may apply for and accept
430.15 on behalf of the state any grants, bequests, gifts, or contributions for the purpose of carrying
430.16 out the duties and responsibilities of the commissioner. Any money received under this
430.17 paragraph is appropriated and dedicated for the purpose for which the money is granted.
430.18 The commissioner must biennially report to the chairs and ranking minority members of
430.19 relevant legislative committees and divisions by January 15 of each even-numbered year a
430.20 list of all grants and gifts received under this subdivision.

430.21 (b) Pursuant to law, the commissioner may apply for and receive money made available
430.22 from federal sources for the purpose of carrying out the duties and responsibilities of the
430.23 commissioner.

430.24 (c) The commissioner may make contracts with and grants to Tribal nations, public and
430.25 private agencies and organizations, both for-profit and nonprofit, and individuals using
430.26 appropriated money.

430.27 (d) The commissioner must develop program objectives and performance measures for
430.28 evaluating progress toward achieving the objectives. The commissioner must identify the
430.29 objectives, performance measures, and current status of achieving the measures in a biennial
430.30 report to the chairs and ranking minority members of relevant legislative committees and
430.31 divisions. The report is due no later than January 15 each even-numbered year. The report
430.32 must include, when possible, the following objectives:

431.1 (1) centering and including the lived experiences of children and youth, including those
 431.2 with disabilities and mental illness and their families, in all aspects of the department's work;

431.3 (2) increasing the effectiveness of the department's programs in addressing the needs of
 431.4 children and youth facing racial, economic, or geographic inequities;

431.5 (3) increasing coordination and reducing inefficiencies among the department's programs
 431.6 and the funding sources that support the programs;

431.7 (4) increasing the alignment and coordination of family access to child care and early
 431.8 learning programs and improving systems of support for early childhood and learning
 431.9 providers and services;

431.10 (5) improving the connection between the department's programs and the kindergarten
 431.11 through grade 12 system and the higher education system; and

431.12 (6) minimizing and streamlining the effort required of youth and families to receive
 431.13 services to which the youth and families are entitled.

431.14 Subd. 3. **Coordination and innovation.** For the purposes of coordinating department
 431.15 activities, improving the delivery of services, and implementing innovative practices,
 431.16 research, or evaluation:

431.17 (1) The commissioner may have access to data of any classification held by the
 431.18 commissioners of human services, health, education, public safety, employment and economic
 431.19 development, commerce, administration, and management and budget; counties; and school
 431.20 districts, to the extent not prohibited by state or federal law.

431.21 (2) The commissioners of human services, health, education, public safety, employment
 431.22 and economic development, commerce, administration, and management and budget may
 431.23 have access to data of any classification held by the commissioner of children, youth, and
 431.24 families, to the extent not prohibited by state or federal law.

431.25 (3) Any data shared under this subdivision retain their classification from the agency
 431.26 holding the data.

431.27 (4) Data under this subdivision may be shared with and used by the specified agencies
 431.28 without the consent of the subject of the data.

431.29 **EFFECTIVE DATE.** This section is effective July 1, 2024.

432.1 **Sec. 16. [143.04] STATE AND COUNTY SYSTEMS.**

432.2 **Subdivision 1. Establishment of systems.** (a) The commissioner shall establish and
432.3 enhance computer systems necessary for the efficient operation of the programs the
432.4 commissioner supervises, including:

432.5 (1) management and administration of the Supplemental Nutrition Assistance Program
432.6 (SNAP) and income maintenance program, including the electronic distribution of benefits;
432.7 and

432.8 (2) management and administration of the child support enforcement program.

432.9 (b) The commissioner's development costs incurred by computer systems for statewide
432.10 programs administered with that computer system and mandated by state or federal law
432.11 must not be assessed against county agencies. The commissioner may charge a county for
432.12 development and operating costs incurred by computer systems for functions requested by
432.13 the county and not mandated by state or federal law for programs administered by the
432.14 computer system incurring the cost.

432.15 (c) The commissioner shall distribute the nonfederal share of the costs of operating and
432.16 maintaining the systems to the commissioner and to the counties participating in the system
432.17 in a manner that reflects actual system usage, except that the nonfederal share of the costs
432.18 of the MAXIS computer system and child support enforcement systems for statewide
432.19 programs administered by those systems and mandated by state or federal law shall be borne
432.20 entirely by the commissioner.

432.21 (d) The commissioner may enter into contractual agreements with federally recognized
432.22 Indian Tribes with a reservation in Minnesota to participate in state-operated computer
432.23 systems related to the management and administration of the SNAP, income maintenance,
432.24 and child support enforcement programs to the extent necessary for the Tribe to operate a
432.25 federally approved family assistance program or any other program under the supervision
432.26 of the commissioner.

432.27 **Subd. 2. State systems account created.** A state systems account for the Department
432.28 of Children, Youth, and Families is created in the state treasury. Money collected by the
432.29 commissioner for the programs in subdivision 1 must be deposited in the account. Money
432.30 in the state systems account and federal matching money are appropriated to the
432.31 commissioner for purposes of this section.

432.32 **EFFECTIVE DATE.** This section is effective July 1, 2024.

433.1 **Sec. 17. [143.05] RULEMAKING.**

433.2 (a) The commissioner may use the procedure in section 14.386, paragraph (a), to adopt
433.3 rules necessary to implement the responsibilities transferred under this act or through section
433.4 16B.37. Section 14.386, paragraph (b), does not apply to these rules.

433.5 (b) The commissioner must amend Minnesota Rules to make conforming changes related
433.6 to the transfer of responsibilities under this act or through section 16B.37. The commissioner
433.7 must obtain the approval of the commissioners of human services, education, health, and
433.8 public safety for any amendments to or repeal of rules in existence on the effective date of
433.9 this section and administered under the authority of those agencies.

433.10 (c) The time limit in section 14.125 is extended to 36 months for rulemaking under
433.11 paragraphs (a) and (b). The commissioner must publish a notice of intent to adopt rules or
433.12 a notice of hearing within 36 months of the effective date reported under section 143.05,
433.13 subdivision 1, paragraph (c).

433.14 (d) The commissioner may adopt rules for the administration of activities related to the
433.15 department. Rules adopted under this paragraph are subject to the rulemaking requirements
433.16 of chapter 14.

433.17 **EFFECTIVE DATE.** This section is effective July 1, 2024.

433.18 **Sec. 18. [145.9285] COMMUNITY SOLUTIONS FOR HEALTHY CHILD**
433.19 **DEVELOPMENT GRANT PROGRAM.**

433.20 Subdivision 1. **Establishment.** The commissioner of health shall establish the community
433.21 solutions for healthy child development grant program. The purpose of the program is to:

433.22 (1) improve child development outcomes as related to the well-being of children of color
433.23 and American Indian children from prenatal to grade 3 and their families, including but not
433.24 limited to the goals outlined by the Department of Human Service's early childhood systems
433.25 reform effort for: early learning; health and well-being; economic security; and safe, stable,
433.26 nurturing relationships and environments by funding community-based solutions for
433.27 challenges that are identified by the affected community;

433.28 (2) reduce racial disparities in children's health and development, from prenatal to grade
433.29 3; and

433.30 (3) promote racial and geographic equity.

433.31 Subd. 2. **Commissioner's duties.** The commissioner shall:

434.1 (1) develop a request for proposals for the healthy child development grant program in
 434.2 consultation with the Community Solutions Advisory Council;

434.3 (2) provide outreach, technical assistance, and program development support to increase
 434.4 capacity for new and existing service providers in order to better meet statewide needs,
 434.5 particularly in greater Minnesota and areas where services to reduce health disparities have
 434.6 not been established;

434.7 (3) review responses to requests for proposals, in consultation with the Community
 434.8 Solutions Advisory Council, and award grants under this section;

434.9 (4) ensure communication with the ethnic councils, Minnesota Indian Affairs Council,
 434.10 and the state advisory council on early childhood education and care on the request for
 434.11 proposal process;

434.12 (5) establish a transparent and objective accountability process, in consultation with the
 434.13 Community Solutions Advisory Council that is focused on outcomes that grantees agree to
 434.14 achieve;

434.15 (6) provide grantees with access to data to assist grantees in establishing and
 434.16 implementing effective community-led solutions;

434.17 (7) maintain data on outcomes reported by grantees; and

434.18 (8) contract with an independent third-party entity to evaluate the success of the grant
 434.19 program and to build the evidence base for effective community solutions in reducing health
 434.20 disparities of children of color and American Indian children from prenatal to grade 3.

434.21 **Subd. 3. Community Solutions Advisory Council; establishment; duties;**
 434.22 **compensation.** (a) The commissioner, in consultation with the three ethnic councils under
 434.23 section 15.0145 and the Indian Affairs Council under section 3.922, shall appoint a
 434.24 13-member Community Solutions Advisory Council as follows:

434.25 (1) three members representing Black Minnesotans of African heritage, one of whom
 434.26 is a parent with a child under the age of eight years at the time of the appointment;

434.27 (2) three members representing Latino and Latina Minnesotans with an ethnic heritage
 434.28 from Mexico, a country in Central or South America, Cuba, the Dominican Republic, or
 434.29 Puerto Rico, one of whom is a parent with a child under the age of eight years at the time
 434.30 of the appointment;

435.1 (3) three members representing Asian-Pacific Minnesotans with Asian-Pacific heritage,
435.2 one of whom is a parent with a child under the age of eight years at the time of the
435.3 appointment;

435.4 (4) three members representing the American Indian community, one of whom is a
435.5 parent of a child under the age of eight years at the time of the appointment; and

435.6 (5) one member with research or academic expertise in racial equity and healthy child
435.7 development.

435.8 (b) The commissioner should include representation from organizations with expertise
435.9 in advocacy on behalf of communities of color and Indigenous communities in areas related
435.10 to the grant program.

435.11 (c) At least three of the 13 members appointed under paragraph (a), clauses (1) to (4),
435.12 of the advisory council must come from outside the seven-county metropolitan area.

435.13 (d) The Community Solutions Advisory Council shall:

435.14 (1) advise the commissioner on the development of the request for proposals for
435.15 community solutions healthy child development grants. In advising the commissioner, the
435.16 council must consider how to build on the capacity of communities to promote child and
435.17 family well-being and address social determinants of healthy child development;

435.18 (2) review responses to requests for proposals and advise the commissioner on the
435.19 selection of grantees and grant awards;

435.20 (3) advise the commissioner on the establishment of a transparent and objective
435.21 accountability process focused on outcomes the grantees agree to achieve;

435.22 (4) advise the commissioner on ongoing oversight and necessary support in the
435.23 implementation of the program; and

435.24 (5) support the commissioner on other racial equity and early childhood grant efforts.

435.25 (e) Member terms, compensation, and removal shall be as provided in section 15.059,
435.26 subdivisions 2 to 4.

435.27 (f) The commissioner must convene meetings of the advisory council at least four times
435.28 per year.

435.29 (g) The advisory council shall expire upon expiration or repeal of the healthy childhood
435.30 development program.

436.1 (h) The commissioner of health must provide meeting space and administrative support
436.2 for the advisory council.

436.3 Subd. 4. **Eligible grantees.** Organizations eligible to receive grant funding under this
436.4 section include:

436.5 (1) organizations or entities that work with communities of color and American Indian
436.6 communities;

436.7 (2) Tribal Nations and Tribal organizations as defined in section 658P of the Child Care
436.8 and Development Block Grant Act of 1990; and

436.9 (3) organizations or entities focused on supporting healthy child development.

436.10 Subd. 5. **Strategic consideration and priority of proposals; eligible populations;**

436.11 **grant awards.** (a) The commissioner, in consultation with the Community Solutions
436.12 Advisory Council, shall develop a request for proposals for healthy child development
436.13 grants. In developing the proposals and awarding the grants, the commissioner shall consider
436.14 building on the capacity of communities to promote child and family well-being and address
436.15 social determinants of healthy child development. Proposals must focus on increasing racial
436.16 equity and healthy child development and reducing health disparities experienced by children
436.17 of color and American Indian children from prenatal to grade 3 and their families.

436.18 (b) In awarding the grants, the commissioner shall provide strategic consideration and
436.19 give priority to proposals from:

436.20 (1) organizations or entities led by people of color and serving communities of color;

436.21 (2) organizations or entities led by American Indians and serving American Indians,
436.22 including Tribal Nations and Tribal organizations;

436.23 (3) organizations or entities with proposals focused on healthy development from prenatal
436.24 to grade 3;

436.25 (4) organizations or entities with proposals focusing on multigenerational solutions;

436.26 (5) organizations or entities located in or with proposals to serve communities located
436.27 in counties that are moderate to high risk according to the Wilder Research Risk and Reach
436.28 Report; and

436.29 (6) community-based organizations that have historically served communities of color
436.30 and American Indians and have not traditionally had access to state grant funding.

436.31 The advisory council may recommend additional strategic considerations and priorities to
436.32 the commissioner.

437.1 (c) The first round of grants must be awarded no later than April 15, 2024. Grants must
 437.2 be awarded annually thereafter. Grants are awarded for a period of three years.

437.3 Subd. 6. **Geographic distribution of grants.** The commissioner and the advisory council
 437.4 shall ensure that grant funds are prioritized and awarded to organizations and entities that
 437.5 are within counties that have a higher proportion of people of color and American Indians
 437.6 than the state average, to the extent possible.

437.7 Subd. 7. **Report.** Grantees must report grant program outcomes to the commissioner on
 437.8 the forms and according to the timelines established by the commissioner.

437.9 Sec. 19. Minnesota Statutes 2022, section 256.014, subdivision 1, is amended to read:

437.10 Subdivision 1. **Establishment of systems.** (a) The commissioner of human services
 437.11 shall establish and enhance computer systems necessary for the efficient operation of ~~the~~
 437.12 medical assistance and other programs the commissioner supervises, including:

437.13 ~~(1) management and administration of the Supplemental Nutrition Assistance Program~~
 437.14 ~~(SNAP) and income maintenance program, including the electronic distribution of benefits;~~

437.15 ~~(2) management and administration of the child support enforcement program; and~~

437.16 ~~(3) administration of medical assistance.~~

437.17 (b) The commissioner's development costs incurred by computer systems for statewide
 437.18 programs administered by that computer system and mandated by state or federal law must
 437.19 not be assessed against county agencies. The commissioner may charge a county for
 437.20 development and operating costs incurred by computer systems for functions requested by
 437.21 the county and not mandated by state or federal law for programs administered by the
 437.22 computer system incurring the cost.

437.23 (c) The commissioner shall distribute the nonfederal share of the costs of operating and
 437.24 maintaining the systems to the commissioner and to the counties participating in the system
 437.25 in a manner that reflects actual system usage, except that the nonfederal share of the costs
 437.26 of the MAXIS computer system ~~and child support enforcement systems~~ for statewide
 437.27 programs administered by ~~those systems~~ that system and mandated by state or federal law
 437.28 shall be borne entirely by the commissioner.

437.29 The commissioner may enter into contractual agreements with federally recognized
 437.30 Indian tribes with a reservation in Minnesota to participate in state-operated computer
 437.31 systems related to the management and administration of the ~~SNAP, income maintenance,~~
 437.32 ~~child support enforcement, and medical assistance programs~~ program to the extent necessary

438.1 for the tribe to operate a ~~federally approved family~~ the medical assistance program or any
438.2 other program under the supervision of the commissioner.

438.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

438.4 Sec. 20. Minnesota Statutes 2022, section 256.014, subdivision 2, is amended to read:

438.5 Subd. 2. **State systems account created.** A state systems account for the Department
438.6 of Human Services is created in the state treasury. Money collected by the commissioner
438.7 of human services for the programs in subdivision 1 must be deposited in the account.
438.8 Money in the state systems account and federal matching money is appropriated to the
438.9 commissioner of human services for purposes of this section.

438.10 **EFFECTIVE DATE.** This section is effective July 1, 2024.

438.11 Sec. 21. **[256E.341] PREPARED MEALS FOOD RELIEF GRANTS.**

438.12 **Subdivision 1. Establishment.** The commissioner of human services shall establish a
438.13 prepared meals grant program to provide hunger relief to Minnesotans experiencing food
438.14 insecurity and who have difficulty preparing meals due to limited mobility, disability, age,
438.15 or resources to prepare their own meal.

438.16 Subd. 2. **Eligible grantees.** Eligible grantees are nonprofit organizations and federally
438.17 recognized American Indian Tribes or bands located in Minnesota as defined in section
438.18 10.65, with a demonstrated history of providing and distributing prepared meals customized
438.19 for the population that they serve, including tailoring meals to the cultural, religious, and
438.20 dietary needs of the population served. Eligible grantees must prepare meals in a licensed
438.21 commercial kitchen and distribute meals according to ServSafe guidelines.

438.22 Subd. 3. **Application.** Applicants for grant funds under this section shall apply to the
438.23 commissioner on the forms and according to the timelines established by the commissioner.

438.24 Subd. 4. **Allowable uses of grant funds.** (a) Eligible grantees must use grant funds
438.25 awarded under this section to fund a prepared meals program that primarily targets individuals
438.26 between 18 and 60 years of age, and their dependents, experiencing food insecurity. Grantees
438.27 must avoid duplication with existing state and federal meal programs.

438.28 (b) Grant funds must supplement, but not supplant, any state or federal funding used to
438.29 provide prepared meals to Minnesotans experiencing food insecurity.

438.30 Subd. 5. **Duties of the commissioner.** (a) The commissioner shall develop a process
438.31 for determining eligible grantees under this section.

- 439.1 (b) In granting funds, the commissioner shall prioritize applicants that:
- 439.2 (1) have demonstrated ability to provide prepared meals to racially and geographically
- 439.3 diverse populations at greater risk for food insecurity;
- 439.4 (2) work with external community partners to distribute meals targeting nontraditional
- 439.5 meal sites reaching those most in need; and
- 439.6 (3) have a demonstrated history of sourcing at least 50 percent of the prepared meal
- 439.7 ingredients from:
- 439.8 (i) Minnesota food producers and processors; or
- 439.9 (ii) food that is donated or would otherwise be waste.
- 439.10 (c) The commissioner shall consider geographic distribution to ensure statewide coverage
- 439.11 when awarding grants and minimize the number of grantees to simplify administrative
- 439.12 burdens and costs.
- 439.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 439.14 **Sec. 22. [256E.38] DIAPER DISTRIBUTION GRANT PROGRAM.**
- 439.15 Subdivision 1. **Establishment; purpose.** The commissioner of human services shall
- 439.16 establish a diaper distribution program to award competitive grants to eligible applicants
- 439.17 to provide diapers to underresourced families statewide.
- 439.18 Subd. 2. **Eligibility.** To be eligible for a grant under this section, an applicant must
- 439.19 demonstrate its capacity to distribute diapers statewide by having:
- 439.20 (1) a network of well-established partners for diaper distribution;
- 439.21 (2) the infrastructure needed to efficiently manage diaper procurement and distribution
- 439.22 statewide;
- 439.23 (3) relationships with national organizations that support and enhance the work of
- 439.24 addressing diaper need;
- 439.25 (4) the ability to engage in building community awareness of diaper need and advocate
- 439.26 for diaper need at local, state, and federal levels;
- 439.27 (5) a commitment to and demonstration of working with organizations across ideological
- 439.28 and political spectrums;
- 439.29 (6) the ability to address diaper need for children from birth through early childhood;
- 439.30 and

440.1 (7) a commitment to working within an equity framework by ensuring access to
440.2 organizations that provide culturally specific services or are located in communities with
440.3 high concentrations of poverty.

440.4 Subd. 3. **Application.** Applicants must apply to the commissioner in a form and manner
440.5 prescribed by the commissioner. Applications must be filed at the times and for the periods
440.6 determined by the commissioner.

440.7 Subd. 4. **Eligible uses of grant money.** An eligible applicant that receives grant money
440.8 under this section shall use the money to purchase diapers and wipes and may use up to
440.9 four percent of the money for costs to administer the grant.

440.10 Subd. 5. **Enforcement.** (a) An eligible applicant that receives grant money under this
440.11 section must:

440.12 (1) retain records documenting expenditure of the grant money;

440.13 (2) report to the commissioner on the use of the grant money; and

440.14 (3) comply with any additional requirements imposed by the commissioner.

440.15 (b) The commissioner may require that a report submitted under this subdivision include
440.16 an independent audit.

440.17 Sec. 23. **DIRECTION TO COMMISSIONER; ALLOCATING BASIC SLIDING**
440.18 **FEE FUNDS.**

440.19 Notwithstanding Minnesota Statutes, section 119B.03, subdivisions 6, 6a, and 6b, the
440.20 commissioner of human services must allocate additional basic sliding fee child care money
440.21 for calendar year 2025 to counties and Tribes to account for the change in the definition of
440.22 family in Minnesota Statutes, section 119B.011, in this article. In allocating the additional
440.23 money, the commissioner shall consider:

440.24 (1) the number of children in the county or Tribe who receive care from a relative
440.25 custodian who accepted a transfer of permanent legal and physical custody of a child under
440.26 section 260C.515, subdivision 4, or similar permanency disposition in Tribal code; successor
440.27 custodian or guardian as established according to section 256N.22, subdivision 10; or foster
440.28 parents in a family foster home under section 260C.007, subdivision 16b; and

440.29 (2) the average basic sliding fee cost of care in the county or Tribe.

441.1 Sec. 24. DIRECTION TO COMMISSIONER; COST ESTIMATION MODEL FOR
441.2 EARLY CARE AND LEARNING PROGRAMS.

441.3 (a) The commissioner of human services shall develop a cost estimation model for
441.4 providing early care and learning in the state. In developing the model, the commissioner
441.5 shall consult with relevant entities and stakeholders, including but not limited to the State
441.6 Advisory Council on Early Childhood Education and Care under Minnesota Statutes, section
441.7 124D.141; county administrators; child care resource and referral organizations under
441.8 Minnesota Statutes, section 119B.19, subdivision 1; and organizations representing
441.9 caregivers, teachers, and directors.

441.10 (b) The commissioner shall contract with an organization with experience and expertise
441.11 in early care and learning cost estimation modeling to conduct the work outlined in this
441.12 section. If practicable, the commissioner shall contract with First Children's Finance.

441.13 (c) The commissioner shall ensure that the model can estimate variation in the cost of
441.14 early care and learning by:

441.15 (1) quality of care;

441.16 (2) geographic area;

441.17 (3) type of child care provider and associated licensing standards;

441.18 (4) age of child;

441.19 (5) whether the early care and learning is inclusive, caring for children with disabilities
441.20 alongside children without disabilities;

441.21 (6) provider and staff compensation, including benefits such as professional development
441.22 stipends, health care benefits, and retirement benefits;

441.23 (7) a provider's fixed costs, including rent and mortgage payments, property taxes, and
441.24 business-related insurance payments;

441.25 (8) a provider's operating expenses, including expenses for training and substitutes; and

441.26 (9) a provider's hours of operation.

441.27 (d) By January 30, 2025, the commissioner must submit a report to the legislative
441.28 committees with jurisdiction over early childhood programs on the development of the cost
441.29 estimation model. The report shall include:

441.30 (1) recommendations for how the model could be used in conjunction with a child care
441.31 and early education professional wage scale to set provider payment rates for child care

442.1 assistance under Minnesota Statutes, chapter 119B, and great start scholarships under
 442.2 Minnesota Statutes, section 119C.01; and

442.3 (2) a plan to seek federal approval to use the model for provider payment rates for child
 442.4 care assistance.

442.5 **Sec. 25. DIRECTION TO COMMISSIONER; INCREASE FOR MAXIMUM CHILD**
 442.6 **CARE ASSISTANCE RATES.**

442.7 Notwithstanding Minnesota Statutes, section 119B.03, subdivisions 6, 6a, and 6b, the
 442.8 commissioner must allocate the additional basic sliding fee child care funds for calendar
 442.9 year 2024 to counties for updated maximum rates based on relative need to cover maximum
 442.10 rate increases. In distributing the additional funds, the commissioner shall consider the
 442.11 following factors by county:

442.12 (1) the number of children;

442.13 (2) the provider type;

442.14 (3) the age of children served; and

442.15 (4) the amount of the increase in maximum rates.

442.16 **Sec. 26. DIRECTION TO COMMISSIONER; INTEGRATED SERVICES FOR**
 442.17 **CHILDREN AND FAMILIES.**

442.18 (a) The commissioner must increase staffing to eliminate the backlog of technology
 442.19 improvements for the Minnesota electronic child care system and MAXIS.

442.20 (b) The commissioner must increase staffing to sustain the Minnesota electronic child
 442.21 care system, MAXIS, and PRISM for five to ten years.

442.22 (c) The commissioner must address the SSIS performance and sustainability work group
 442.23 to ensure significant improvements in the performance of SSIS.

442.24 (d) The commissioner must modernize the state's child support system by refactoring,
 442.25 replatforming, and transforming the participant portal to increase the capacity to update
 442.26 information for participants.

442.27 (e) The commissioner must contract with an independent consultant to complete a
 442.28 thorough examination of SSIS to determine a proper platform for future development to
 442.29 perform the functions of SSIS.

443.1 (f) The commissioner must implement bidirectional data exchanges with the commissioner
443.2 of education and the Minnesota judicial branch and improve data exchange with the state's
443.3 Medicaid management information system. Also, the commissioner must plan and implement
443.4 a process for data collaboration and exchange with child welfare contributing agencies.

443.5 (g) The commissioner must develop an enterprise approach to communicating with
443.6 program participants, including by incorporating text messaging technology, and improve
443.7 notices to program participants to make them easier to understand.

443.8 (h) The commissioner must increase staffing capacity to analyze the next steps toward
443.9 implementing sustainable technology solutions that improve the experience of program
443.10 participants, enhance program integrity, and reduce workloads. The commissioner must
443.11 include community engagement and staff training in the analysis.

443.12 (i) The commissioner must contract with an independent consultant to perform a thorough
443.13 evaluation of the social services information system (SSIS), which supports the child
443.14 protection system in Minnesota. The consultant must make recommendations for improving
443.15 the current system for usability, system performance, and federal Comprehensive Child
443.16 Welfare Information System compliance, and must address technical problems and identify
443.17 any unnecessary or unduly burdensome data entry requirements that have contributed to
443.18 system capacity issues. The consultant must assist the commissioner with selecting a platform
443.19 for future development of an information technology system for child protection.

443.20 (j) The commissioner of human services must conduct a study and develop
443.21 recommendations to streamline and reduce SSIS data entry requirements for child protection
443.22 cases. The study must be completed in partnership with local social services agencies and
443.23 others, as determined by the commissioner. The study must review all input fields required
443.24 on current reporting forms and determine which input fields and information are required
443.25 under state or federal law. By June 30, 2024, the commissioner must provide a status report
443.26 and an implementation timeline to the chairs and ranking minority members of the legislative
443.27 committees with jurisdiction over child protection. The status report must include information
443.28 about procedures for soliciting ongoing user input from stakeholders, progress on solicitation
443.29 and hiring of a consultant to conduct the system evaluation required under paragraph (a),
443.30 and a report on progress and completed efforts to streamline data entry requirements and
443.31 improve user experience.

444.1 Sec. 27. **DIRECTION TO COMMISSIONER; SERVICE DELIVERY**

444.2 **TRANSFORMATION.**

444.3 (a) The commissioner must expand the MNbenefits application to streamline the
444.4 application process and reduce processing time.

444.5 (b) The commissioner must create two additional product teams to expand the adoption
444.6 of Agile to support progress on client-centered outcomes for integrated service delivery.

444.7 (c) The commissioner must continue implementation of enterprise architecture, change
444.8 management, community and stakeholder engagement, evaluation and performance
444.9 measurement, and management of enterprise applications, systems, and processes.

444.10 (d) The commissioner must implement an enterprise data management strategy, standards,
444.11 and policies, and advanced analytics capacity.

444.12 (e) The commissioner may maintain existing systems to the extent necessary to support
444.13 the service delivery transformation projects in this section.

444.14 Sec. 28. **FIRST APPOINTMENTS AND TERMS FOR THE COMMUNITY**

444.15 **SOLUTIONS ADVISORY COUNCIL.**

444.16 The commissioner of health must appoint members to the Community Solutions Advisory
444.17 Council under Minnesota Statutes, section 145.9285, by July 1, 2023, and must convene
444.18 the first meeting by September 15, 2023. The commissioner must designate half of the
444.19 members appointed under Minnesota Statutes, section 145.9285, subdivision 3, paragraph
444.20 (a), clauses (1) to (4), to serve a two-year term and the remaining members will serve a
444.21 four-year term. The commissioner may appoint people who are serving on or who have
444.22 served on the council established under Laws 2019, First Special Session chapter 9, article
444.23 11, section 107, subdivision 3.

444.24 Sec. 29. **APPOINTMENT OF COMMISSIONER OF CHILDREN, YOUTH, AND**
444.25 **FAMILIES.**

444.26 The governor shall appoint a commissioner-designee of the Department of Children,
444.27 Youth, and Families. The person appointed becomes the governor's appointee as the
444.28 commissioner of children, youth, and families on July 1, 2024.

444.29 **EFFECTIVE DATE.** This section is effective July 1, 2023.

445.1 **Sec. 30. TRANSFERS FROM OTHER AGENCIES.**

445.2 Subdivision 1. General. (a) Between July 1, 2024, and July 1, 2025, the Departments
445.3 of Human Services, Education, Health, and Public Safety must transition all of the
445.4 responsibilities held by these departments and described in this section to the Department
445.5 of Children, Youth, and Families.

445.6 (b) Notwithstanding paragraph (a), any programs identified in paragraph (a) that require
445.7 federal approval to move to the Department of Children, Youth, and Families must be
445.8 transferred on or after July 1, 2024, and upon the federal government granting transfer
445.9 authority to the commissioner of children, youth, and families.

445.10 (c) The commissioner of children, youth, and families must report an effective date of
445.11 the transfer of each responsibility identified in this section to the commissioners of
445.12 administration, management and budget, and other relevant departments along with the
445.13 secretary of the senate, the chief clerk of the house of representatives, and the chairs and
445.14 ranking minority members of relevant legislative committees and divisions. The reported
445.15 date is the effective date of transfer of responsibilities under Minnesota Statutes, section
445.16 15.039.

445.17 (d) The requirement in Minnesota Statutes, section 16B.37, subdivision 1, that a state
445.18 agency must have been in existence for at least one year before being eligible for receiving
445.19 a transfer of personnel, powers, or duties does not apply to the Department of Children,
445.20 Youth, and Families.

445.21 (e) Notwithstanding Minnesota Statutes, section 15.039, subdivision 6, for the transfer
445.22 of responsibilities conducted under this chapter, the unexpended balance of any appropriation
445.23 to an agency for the purposes of any responsibilities that are transferred to the Department
445.24 of Children, Youth, and Families, along with the operational functions to support the
445.25 responsibilities transferred, including administrative, legal, information technology, and
445.26 personnel support, and a proportional share of base funding, are reappropriated under the
445.27 same conditions as the original appropriation to the Department of Children, Youth, and
445.28 Families effective on the date of the transfer of responsibilities and related elements. The
445.29 commissioner of management and budget shall identify and allocate any unexpended
445.30 appropriations and base funding.

445.31 (f) The commissioner of children, youth, and families or management and budget may
445.32 request an extension to transfer any responsibility listed in this section. The commissioner
445.33 of children, youth, and families or management and budget may request that the transfer of
445.34 any responsibility listed in this section be canceled if an effective date has not been reported

446.1 under paragraph (c). Any request under this paragraph must be made in writing to the
446.2 governor. Upon approval from the governor, the transfer may be delayed or canceled. Within
446.3 ten days after receiving the approval of the governor, the commissioner who requested the
446.4 transfer shall submit to the chairs and ranking minority members of relevant legislative
446.5 committees and divisions a notice of any extensions or cancellations granted under this
446.6 paragraph.

446.7 Subd. 2. **Department of Human Services.** The powers and duties of the Department
446.8 of Human Services with respect to the following responsibilities and related elements are
446.9 transferred to the Department of Children, Youth, and Families according to Minnesota
446.10 Statutes, section 15.039:

446.11 (1) family services and community-based collaboratives under Minnesota Statutes,
446.12 section 124D.23;

446.13 (2) child care programs under Minnesota Statutes, chapter 119B;

446.14 (3) Parent Aware quality rating and improvement system under Minnesota Statutes,
446.15 section 124D.142;

446.16 (4) migrant child care services under Minnesota Statutes, section 256M.50;

446.17 (5) early childhood and school-age professional development training under Laws 2007,
446.18 chapter 147, article 2, section 56;

446.19 (6) licensure of family child care and child care centers, child foster care, and private
446.20 child placing agencies under Minnesota Statutes, chapter 245A;

446.21 (7) certification of license-exempt child care centers under Minnesota Statutes, chapter
446.22 245H;

446.23 (8) program integrity and fraud related to the Child Care Assistance Program (CCAP),
446.24 the Minnesota Family Investment Program (MFIP), and the Supplemental Nutrition
446.25 Assistance Program (SNAP) under Minnesota Statutes, chapters 119B and 245E;

446.26 (9) SNAP under Minnesota Statutes, sections 256D.61 to 256D.63;

446.27 (10) electronic benefit transactions under Minnesota Statutes, sections 256.9862,
446.28 256.9863, 256.9865, 256.987, 256.9871, 256.9872, and 256J.77;

446.29 (11) Minnesota food assistance program under Minnesota Statutes, section 256D.64;

446.30 (12) Minnesota food shelf program under Minnesota Statutes, section 256E.34;

- 447.1 (13) MFIP and Temporary Assistance for Needy Families (TANF) under Minnesota
447.2 Statutes, sections 256.9864 and 256.9865 and chapters 256J and 256P;
- 447.3 (14) Diversionary Work Program (DWP) under Minnesota Statutes, section 256J.95;
- 447.4 (15) resettlement programs under Minnesota Statutes, section 256B.06, subdivision 6;
- 447.5 (16) child abuse under Minnesota Statutes, chapter 256E;
- 447.6 (17) reporting of the maltreatment of minors under Minnesota Statutes, chapter 260E;
- 447.7 (18) children in voluntary foster care for treatment under Minnesota Statutes, chapter
447.8 260D;
- 447.9 (19) juvenile safety and placement under Minnesota Statutes, chapter 260C;
- 447.10 (20) the Minnesota Indian Family Preservation Act under Minnesota Statutes, sections
447.11 260.751 to 260.835;
- 447.12 (21) the Interstate Compact for Juveniles under Minnesota Statutes, section 260.515 and
447.13 the Interstate Compact on the Placement of Children under Minnesota Statutes, sections
447.14 260.851 to 260.93;
- 447.15 (22) adoption under Minnesota Statutes, sections 259.20 to 259.89;
- 447.16 (23) Northstar Care for Children under Minnesota Statutes, chapter 256N;
- 447.17 (24) child support under Minnesota Statutes, chapters 13, 13B, 214, 256, 256J, 257, 259,
447.18 518, 518A, 518C, 551, 552, 571, and 588 and section 609.375;
- 447.19 (25) community action programs under Minnesota Statutes, sections 256E.30 to 256E.32;
447.20 and
- 447.21 (26) Family Assets for Independence in Minnesota under Minnesota Statutes, section
447.22 256E.35.
- 447.23 Subd. 3. **Department of Education.** The powers and duties of the Department of
447.24 Education with respect to the following responsibilities and related elements are transferred
447.25 to the Department of Children, Youth, and Families according to Minnesota Statutes, section
447.26 15.039:
- 447.27 (1) Head Start Program and Early Head Start under Minnesota Statutes, sections 119A.50
447.28 to 119A.545;
- 447.29 (2) the early childhood screening program under Minnesota Statutes, sections 121A.16
447.30 to 121A.19;

448.1 (3) early learning scholarships under Minnesota Statutes, section 124D.165;

448.2 (4) the interagency early childhood intervention system under Minnesota Statutes,
448.3 sections 125A.259 to 125A.48;

448.4 (5) voluntary prekindergarten programs and school readiness plus programs under
448.5 Minnesota Statutes, section 124D.151;

448.6 (6) early childhood family education programs under Minnesota Statutes, sections
448.7 124D.13 to 124D.135;

448.8 (7) school readiness under Minnesota Statutes, sections 124D.15 to 124D.16; and

448.9 (8) after-school community learning programs under Minnesota Statutes, section
448.10 124D.2211.

448.11 Subd. 4. Department of Public Safety. The powers and duties of the Department of
448.12 Public Safety with respect to the following responsibilities and related elements are
448.13 transferred to the Department of Children, Youth, and Families according to Minnesota
448.14 Statutes, section 15.039:

448.15 (1) the juvenile justice program under Minnesota Statutes, section 299A.72; and

448.16 (2) grants-in-aid to youth intervention programs under Minnesota Statutes, section
448.17 299A.73.

448.18 **EFFECTIVE DATE.** This section is effective July 1, 2024.

448.19 Sec. 31. **REVISOR INSTRUCTION.**

448.20 The revisor of statutes must identify, in consultation with the commissioners of
448.21 management and budget; human services; education; health; and public safety and with
448.22 nonpartisan legislative offices, any changes to Minnesota Statutes and Minnesota Rules
448.23 necessary to facilitate the transfer of responsibilities under this act, the authority to fulfill
448.24 the responsibilities under this act, and the related operational functions needed to implement
448.25 the necessary legal changes and responsibilities under this act. By February 1, 2024, the
448.26 revisor of statutes must submit to the chairs and ranking minority members of relevant
448.27 legislative committees and divisions draft legislation with the statutory changes necessary
448.28 to implement this act.

448.29 **EFFECTIVE DATE.** This section is effective July 1, 2023.

449.1 Sec. 32. **REPEALER.**

449.2 Minnesota Statutes 2022, section 119B.03, subdivision 4, is repealed.

449.3 **EFFECTIVE DATE.** This section is effective July 1, 2023.

449.4

ARTICLE 14

449.5

CHILD CARE WORKFORCE

449.6 Section 1. Minnesota Statutes 2022, section 119B.011, subdivision 19a, is amended to
449.7 read:

449.8 Subd. 19a. **Registration.** "Registration" means the process used by ~~a county~~ the
449.9 commissioner to determine whether the provider selected by a family applying for or
449.10 receiving child care assistance to care for that family's children meets the requirements
449.11 necessary for payment of child care assistance for care provided by that provider. The
449.12 commissioner shall create a process for statewide registration by April 28, 2025.

449.13 **EFFECTIVE DATE.** This section is effective April 28, 2025.

449.14 Sec. 2. Minnesota Statutes 2022, section 119B.125, subdivision 1, is amended to read:

449.15 Subdivision 1. **Authorization.** ~~A county or~~ The commissioner must authorize the provider
449.16 chosen by an applicant or a participant before the county can authorize payment for care
449.17 provided by that provider. The commissioner must establish the requirements necessary for
449.18 authorization of providers. A provider must be reauthorized every two years. ~~A legal,~~
449.19 ~~nonlicensed family child care provider also must be reauthorized when another person over~~
449.20 ~~the age of 13 joins the household, a current household member turns 13, or there is reason~~
449.21 ~~to believe that a household member has a factor that prevents authorization. The provider~~
449.22 ~~is required to report all family changes that would require reauthorization. When a provider~~
449.23 ~~has been authorized for payment for providing care for families in more than one county,~~
449.24 ~~the county responsible for reauthorization of that provider is the county of the family with~~
449.25 ~~a current authorization for that provider and who has used the provider for the longest length~~
449.26 ~~of time.~~

449.27 **EFFECTIVE DATE.** This section is effective April 28, 2025.

449.28 Sec. 3. Minnesota Statutes 2022, section 119B.125, subdivision 1a, is amended to read:

449.29 Subd. 1a. **Background study required.** (a) This subdivision only applies to legal,
449.30 nonlicensed family child care providers.

450.1 (b) Prior to authorization, and as part of each reauthorization required in subdivision 1,
 450.2 the county the commissioner shall perform a background study on every member of the
 450.3 provider's household who is age 13 and older. The county shall also perform a background
 450.4 study on an individual who has reached age ten but is not yet age 13 and is living in the
 450.5 household where the nonlicensed child care will be provided when the county has reasonable
 450.6 cause as defined under section 245C.02, subdivision 15 individuals identified under section
 450.7 245C.02, subdivision 6a.

450.8 (c) After authorization, a background study shall also be performed when an individual
 450.9 identified under section 245C.02, subdivision 6a, joins the household. The provider must
 450.10 report all family changes that would require a new background study.

450.11 (d) At each reauthorization, the commissioner shall ensure that a background study
 450.12 through NETStudy 2.0 has been performed on all individuals in the provider's household
 450.13 for whom a background study is required under paragraphs (b) and (c).

450.14 (e) Prior to a background study through NETStudy 2.0 expiring, another background
 450.15 study shall be completed on all individuals for whom the background study is expiring.

450.16 **EFFECTIVE DATE.** This section is effective April 28, 2025.

450.17 Sec. 4. Minnesota Statutes 2022, section 119B.125, subdivision 1b, is amended to read:

450.18 Subd. 1b. **Training required.** (a) ~~Effective November 1, 2011,~~ Prior to initial
 450.19 authorization as required in subdivision 1, a legal nonlicensed family child care provider
 450.20 must complete first aid and CPR training and provide the verification of first aid and CPR
 450.21 training to the county commissioner. The training documentation must have valid effective
 450.22 dates as of the date the registration request is submitted to the county commissioner. The
 450.23 training must have been provided by an individual approved to provide first aid and CPR
 450.24 instruction and have included CPR techniques for infants and children.

450.25 ~~(b) Legal nonlicensed family child care providers with an authorization effective before~~
 450.26 ~~November 1, 2011, must be notified of the requirements before October 1, 2011, or at~~
 450.27 ~~authorization, and must meet the requirements upon renewal of an authorization that occurs~~
 450.28 ~~on or after January 1, 2012.~~

450.29 ~~(e)~~ (b) Upon each reauthorization after the authorization period when the initial first aid
 450.30 and CPR training requirements are met, a legal nonlicensed family child care provider must
 450.31 provide verification of at least eight hours of additional training listed in the Minnesota
 450.32 Center for Professional Development Registry.

450.33 ~~(d)~~ (c) This subdivision only applies to legal nonlicensed family child care providers.

451.1 **EFFECTIVE DATE.** This section is effective April 28, 2025.

451.2 Sec. 5. Minnesota Statutes 2022, section 119B.125, subdivision 2, is amended to read:

451.3 Subd. 2. **Persons who cannot be authorized.** (a) The provider seeking authorization
451.4 under this section shall collect the information required under section 245C.05, ~~subdivision~~
451.5 ~~1,~~ and forward the information to the ~~county agency~~ commissioner. The background study
451.6 must include a review of the information required under section 245C.08, ~~subdivisions 2,~~
451.7 subdivision 3, and 4, paragraph (b).

451.8 (b) A legal nonlicensed family child care provider is not authorized under this section
451.9 if:

451.10 (1) the commissioner determines that any household member who is the subject of a
451.11 background study is ~~determined to have a disqualifying characteristic under paragraphs (b)~~
451.12 ~~to (c) or under section 245C.14 or 245C.15. If a county has determined that a provider is~~
451.13 ~~able to be authorized in that county, and a family in another county later selects that provider,~~
451.14 ~~the provider is able to be authorized in the second county without undergoing a new~~
451.15 ~~background investigation unless one of the following conditions exists: disqualified from~~
451.16 direct contact with, or from access to, persons served by the program and that disqualification
451.17 has not been set aside or a variance has not been granted under chapter 245C;

451.18 ~~(1) two years have passed since the first authorization;~~

451.19 ~~(2) another person age 13 or older has joined the provider's household since the last~~
451.20 ~~authorization;~~

451.21 ~~(3) a current household member has turned 13 since the last authorization; or~~

451.22 ~~(4) there is reason to believe that a household member has a factor that prevents~~
451.23 ~~authorization.~~

451.24 ~~(b) (2)~~ (2) the person has refused to give written consent for disclosure of criminal history
451.25 records;

451.26 ~~(e) (3)~~ (3) the person has been denied a family child care license ~~or has received a fine or~~
451.27 ~~a sanction as a licensed child care provider that has not been reversed on appeal;~~

451.28 ~~(d) (4)~~ (4) the person has a family child care licensing disqualification that has not been set
451.29 aside; or

451.30 ~~(e) (5)~~ (5) the person has admitted or a county has found that there is a preponderance of
451.31 evidence that fraudulent information was given to the county for child care assistance
451.32 application purposes or was used in submitting child care assistance bills for payment.

452.1 **EFFECTIVE DATE.** This section is effective April 28, 2025.

452.2 Sec. 6. Minnesota Statutes 2022, section 119B.125, subdivision 3, is amended to read:

452.3 Subd. 3. **Authorization exception.** When ~~a county~~ the commissioner denies a person
452.4 authorization as a legal nonlicensed family child care provider under subdivision 2, the
452.5 ~~county commissioner~~ later may authorize that person as a provider if the following conditions
452.6 are met:

452.7 (1) after receiving notice of the denial of the authorization, the person applies for and
452.8 obtains a valid child care license issued under chapter 245A, issued by a tribe, or issued by
452.9 another state;

452.10 (2) the person maintains the valid child care license; and

452.11 (3) the person is providing child care in the state of licensure or in the area under the
452.12 jurisdiction of the licensing tribe.

452.13 **EFFECTIVE DATE.** This section is effective April 28, 2025.

452.14 Sec. 7. Minnesota Statutes 2022, section 119B.125, subdivision 4, is amended to read:

452.15 Subd. 4. **Unsafe care.** ~~A county~~ The commissioner may deny authorization as a child
452.16 care provider to any applicant or rescind authorization of any provider when ~~the~~ a county
452.17 or commissioner knows or has reason to believe that the provider is unsafe or that the
452.18 circumstances of the chosen child care arrangement are unsafe. ~~The county must include~~
452.19 ~~the conditions under which a provider or care arrangement will be determined to be unsafe~~
452.20 ~~in the county's child care fund plan under section 119B.08, subdivision 3~~ commissioner
452.21 shall introduce statewide criteria for unsafe care by April 28, 2025.

452.22 **EFFECTIVE DATE.** This section is effective April 28, 2025.

452.23 Sec. 8. Minnesota Statutes 2022, section 119B.125, subdivision 6, is amended to read:

452.24 Subd. 6. **Record-keeping requirement.** (a) As a condition of payment, all providers
452.25 receiving child care assistance payments must:

452.26 (1) keep accurate and legible daily attendance records at the site where services are
452.27 delivered for children receiving child care assistance; and

452.28 (2) make those records available immediately to the county or the commissioner upon
452.29 request. Any records not provided to a county or the commissioner at the date and time of

453.1 the request are deemed inadmissible if offered as evidence by the provider in any proceeding
 453.2 to contest an overpayment or disqualification of the provider.

453.3 (b) As a condition of payment, attendance records must be completed daily and include
 453.4 the date, the first and last name of each child in attendance, and the times when each child
 453.5 is dropped off and picked up. To the extent possible, the times that the child was dropped
 453.6 off to and picked up from the child care provider must be entered by the person dropping
 453.7 off or picking up the child. The daily attendance records must be retained at the site where
 453.8 services are delivered for six years after the date of service.

453.9 ~~(c) A county or the commissioner may deny or revoke a provider's authorization to~~
 453.10 ~~receive child care assistance payments under section 119B.13, subdivision 6, paragraph (d),~~
 453.11 ~~pursue a fraud disqualification under section 256.98, take an action against the provider~~
 453.12 ~~under chapter 245E, or establish an attendance record overpayment under paragraph (d)~~
 453.13 ~~against a current or former provider.~~ When the county or the commissioner knows or has
 453.14 reason to believe that ~~the~~ a current or former provider has not complied with the
 453.15 record-keeping requirement in this subdivision:

453.16 (1) the commissioner may:

453.17 (i) deny or revoke a provider's authorization to receive child care assistance payments
 453.18 under section 119B.13, subdivision 6, paragraph (d);

453.19 (ii) pursue an administrative disqualification under sections 256.046, subdivision 3, and
 453.20 256.98; or

453.21 (iii) take an action against the provider under chapter 245E; or

453.22 (2) a county or the commissioner may establish an attendance record overpayment under
 453.23 paragraph (d).

453.24 (d) To calculate an attendance record overpayment under this subdivision, the
 453.25 commissioner or county agency shall subtract the maximum daily rate from the total amount
 453.26 paid to a provider for each day that a child's attendance record is missing, unavailable,
 453.27 incomplete, inaccurate, or otherwise inadequate.

453.28 (e) The commissioner shall develop criteria for a county to determine an attendance
 453.29 record overpayment under this subdivision.

453.30 **EFFECTIVE DATE.** This section is effective April 28, 2025.

454.1 Sec. 9. Minnesota Statutes 2022, section 119B.125, subdivision 7, is amended to read:

454.2 Subd. 7. **Failure to comply with attendance record requirements.** (a) In establishing
454.3 an overpayment claim for failure to provide attendance records in compliance with
454.4 subdivision 6, the county or commissioner is limited to the six years prior to the date the
454.5 county or the commissioner requested the attendance records.

454.6 (b) The commissioner or county may periodically audit child care providers to determine
454.7 compliance with subdivision 6.

454.8 (c) When the commissioner or county establishes an overpayment claim against a current
454.9 or former provider, the commissioner or county must provide notice of the claim to the
454.10 provider. A notice of overpayment claim must specify the reason for the overpayment, the
454.11 authority for making the overpayment claim, the time period in which the overpayment
454.12 occurred, the amount of the overpayment, and the provider's right to appeal.

454.13 (d) The commissioner or county shall seek to recoup or recover overpayments paid to
454.14 a current or former provider.

454.15 (e) When a provider has been disqualified or convicted of fraud under section 256.98,
454.16 theft under section 609.52, or a federal crime relating to theft of state funds or fraudulent
454.17 billing for a program administered by the commissioner or a county, recoupment or recovery
454.18 must be sought regardless of the amount of overpayment.

454.19 **EFFECTIVE DATE.** This section is effective April 28, 2025.

454.20 Sec. 10. Minnesota Statutes 2022, section 119B.13, subdivision 6, is amended to read:

454.21 Subd. 6. **Provider payments.** (a) A provider shall bill only for services documented
454.22 according to section 119B.125, subdivision 6. The provider shall bill for services provided
454.23 within ten days of the end of the service period. Payments under the child care fund shall
454.24 be made within 21 days of receiving a complete bill from the provider. Counties or the state
454.25 may establish policies that make payments on a more frequent basis.

454.26 (b) If a provider has received an authorization of care and been issued a billing form for
454.27 an eligible family, the bill must be submitted within 60 days of the last date of service on
454.28 the bill. A bill submitted more than 60 days after the last date of service must be paid if the
454.29 county determines that the provider has shown good cause why the bill was not submitted
454.30 within 60 days. Good cause must be defined in the county's child care fund plan under
454.31 section 119B.08, subdivision 3, and the definition of good cause must include county error.
454.32 Any bill submitted more than a year after the last date of service on the bill must not be
454.33 paid.

455.1 (c) If a provider provided care for a time period without receiving an authorization of
455.2 care and a billing form for an eligible family, payment of child care assistance may only be
455.3 made retroactively for a maximum of three months from the date the provider is issued an
455.4 authorization of care and a billing form. For a family at application, if a provider provided
455.5 child care during a time period without receiving an authorization of care and a billing form,
455.6 a county may only make child care assistance payments to the provider retroactively from
455.7 the date that child care began, or from the date that the family's eligibility began under
455.8 section 119B.09, subdivision 7, or from the date that the family meets authorization
455.9 requirements, not to exceed six months from the date that the provider is issued an
455.10 authorization of care and a billing form, whichever is later.

455.11 (d) ~~A county or~~ The commissioner may refuse to issue a child care authorization to a
455.12 certified, licensed, or legal nonlicensed provider, revoke an existing child care authorization
455.13 to a certified, licensed, or legal nonlicensed provider, stop payment issued to a certified,
455.14 licensed, or legal nonlicensed provider, or refuse to pay a bill submitted by a certified,
455.15 licensed, or legal nonlicensed provider if:

455.16 (1) the provider admits to intentionally giving the county materially false information
455.17 on the provider's billing forms;

455.18 (2) ~~a county or~~ the commissioner finds by a preponderance of the evidence that the
455.19 provider intentionally gave the county materially false information on the provider's billing
455.20 forms, or provided false attendance records to a county or the commissioner;

455.21 (3) the provider is in violation of child care assistance program rules, until the agency
455.22 determines those violations have been corrected;

455.23 (4) the provider is operating after:

455.24 (i) an order of suspension of the provider's license issued by the commissioner;

455.25 (ii) an order of revocation of the provider's license issued by the commissioner; or

455.26 (iii) an order of decertification issued to the provider;

455.27 (5) the provider submits false attendance reports or refuses to provide documentation
455.28 of the child's attendance upon request;

455.29 (6) the provider gives false child care price information; or

455.30 (7) the provider fails to report decreases in a child's attendance as required under section
455.31 119B.125, subdivision 9.

456.1 (e) For purposes of paragraph (d), clauses (3), (5), (6), and (7), ~~the county or the~~
456.2 commissioner may withhold the provider's authorization or payment for a period of time
456.3 not to exceed three months beyond the time the condition has been corrected.

456.4 (f) A county's payment policies must be included in the county's child care plan under
456.5 section 119B.08, subdivision 3. If payments are made by the state, in addition to being in
456.6 compliance with this subdivision, the payments must be made in compliance with section
456.7 16A.124.

456.8 (g) If the commissioner ~~or responsible county agency~~ suspends or refuses payment to a
456.9 provider under paragraph (d), clause (1) or (2), or chapter 245E and the provider has:

456.10 (1) a disqualification for wrongfully obtaining assistance under section 256.98,
456.11 subdivision 8, paragraph (c);

456.12 (2) an administrative disqualification under section 256.046, subdivision 3; or

456.13 (3) a termination under section 245E.02, subdivision 4, paragraph (c), clause (4), or
456.14 245E.06;

456.15 then the provider forfeits the payment to the commissioner or the responsible county agency,
456.16 regardless of the amount assessed in an overpayment, charged in a criminal complaint, or
456.17 ordered as criminal restitution.

456.18 **EFFECTIVE DATE.** This section is effective April 28, 2025.

456.19 Sec. 11. Minnesota Statutes 2022, section 119B.16, subdivision 1c, is amended to read:

456.20 Subd. 1c. **Notice to providers.** (a) Before taking an action appealable under subdivision
456.21 1a, paragraph (b), a county agency or the commissioner must mail written notice to the
456.22 provider against whom the action is being taken. Unless otherwise specified under this
456.23 chapter, chapter 245E, or Minnesota Rules, chapter 3400, a county agency or the
456.24 commissioner must mail the written notice at least 15 calendar days before the adverse
456.25 action's effective date.

456.26 (b) The notice shall state (1) the factual basis for the county agency or department's
456.27 determination, (2) the action the county agency or department intends to take, (3) the dollar
456.28 amount of the monetary recovery or recoupment, if known, and (4) the provider's right to
456.29 appeal the department's proposed action.

456.30 **EFFECTIVE DATE.** This section is effective April 28, 2025.

457.1 Sec. 12. Minnesota Statutes 2022, section 119B.16, subdivision 3, is amended to read:

457.2 Subd. 3. **Fair hearing stayed.** (a) If ~~a county agency or~~ the commissioner denies or
457.3 revokes a provider's authorization based on a licensing action under section 245A.07, and
457.4 the provider appeals, the provider's fair hearing must be stayed until the commissioner issues
457.5 an order as required under section 245A.08, subdivision 5.

457.6 (b) If the commissioner denies or revokes a provider's authorization based on
457.7 decertification under section 245H.07, and the provider appeals, the provider's fair hearing
457.8 must be stayed until the commissioner issues a final order as required under section 245H.07.

457.9 **EFFECTIVE DATE.** This section is effective April 28, 2025.

457.10 Sec. 13. Minnesota Statutes 2022, section 119B.161, subdivision 2, is amended to read:

457.11 Subd. 2. **Notice.** (a) ~~A county agency or~~ The commissioner must mail written notice to
457.12 a provider within five days of suspending payment or denying or revoking the provider's
457.13 authorization under subdivision 1.

457.14 (b) The notice must:

457.15 (1) state the provision under which ~~a county agency or~~ the commissioner is denying,
457.16 revoking, or suspending the provider's authorization or suspending payment to the provider;

457.17 (2) set forth the general allegations leading to the denial, revocation, or suspension of
457.18 the provider's authorization. The notice need not disclose any specific information concerning
457.19 an ongoing investigation;

457.20 (3) state that the denial, revocation, or suspension of the provider's authorization is for
457.21 a temporary period and explain the circumstances under which the action expires; and

457.22 (4) inform the provider of the right to submit written evidence and argument for
457.23 consideration by the commissioner.

457.24 (c) Notwithstanding Minnesota Rules, part 3400.0185, if ~~a county agency or~~ the
457.25 commissioner suspends payment to a provider under chapter 245E or denies or revokes a
457.26 provider's authorization under section 119B.13, subdivision 6, paragraph (d), clause (1) or
457.27 (2), a county agency or the commissioner must send notice of service authorization closure
457.28 to each affected family. The notice sent to an affected family is effective on the date the
457.29 notice is created.

457.30 **EFFECTIVE DATE.** This section is effective April 28, 2025.

458.1 Sec. 14. Minnesota Statutes 2022, section 119B.161, subdivision 3, is amended to read:

458.2 Subd. 3. **Duration.** If a provider's payment is suspended under chapter 245E or a
458.3 provider's authorization is denied or revoked under section 119B.13, subdivision 6, paragraph
458.4 (d), clause (1) or (2), the provider's denial, revocation, temporary suspension, or payment
458.5 suspension remains in effect until:

458.6 (1) the commissioner or a law enforcement authority determines that there is insufficient
458.7 evidence warranting the action and ~~a county agency~~ or the commissioner does not pursue
458.8 an additional administrative remedy under chapter 245E or section 256.98; or

458.9 (2) all criminal, civil, and administrative proceedings related to the provider's alleged
458.10 misconduct conclude and any appeal rights are exhausted.

458.11 **EFFECTIVE DATE.** This section is effective April 28, 2025.

458.12 Sec. 15. Minnesota Statutes 2022, section 119B.19, subdivision 7, is amended to read:

458.13 Subd. 7. **Child care resource and referral programs.** Within each region, a child care
458.14 resource and referral program must:

458.15 (1) maintain one database of all existing child care resources and services and one
458.16 database of family referrals;

458.17 (2) provide a child care referral service for families;

458.18 (3) develop resources to meet the child care service needs of families;

458.19 (4) increase the capacity to provide culturally responsive child care services;

458.20 (5) coordinate professional development opportunities for child care and school-age
458.21 care providers;

458.22 (6) administer and award child care services grants;

458.23 (7) cooperate with the Minnesota Child Care Resource and Referral Network and its
458.24 member programs to develop effective child care services and child care resources; ~~and~~

458.25 (8) assist in fostering coordination, collaboration, and planning among child care programs
458.26 and community programs such as school readiness, Head Start, early childhood family
458.27 education, local interagency early intervention committees, early childhood screening,
458.28 special education services, and other early childhood care and education services and
458.29 programs that provide flexible, family-focused services to families with young children to
458.30 the extent possible;.

459.1 (9) administer the child care one-stop regional assistance network to assist child care
 459.2 providers and individuals interested in becoming child care providers with establishing and
 459.3 sustaining a licensed family child care or group family child care program or a child care
 459.4 center; and

459.5 (10) provide supports that enable economically challenged individuals to obtain the jobs
 459.6 skills training, career counseling, and job placement assistance necessary to begin a career
 459.7 path in child care.

459.8 **Sec. 16. [119B.252] EARLY CHILDHOOD REGISTERED APPRENTICESHIP**
 459.9 **GRANT PROGRAM.**

459.10 Subdivision 1. **Establishment.** The commissioner of human services shall, in coordination
 459.11 with the commissioner of labor and industry, establish an apprenticeship grant program to
 459.12 provide employment-based training and mentoring opportunities for early childhood workers.

459.13 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
 459.14 definitions given.

459.15 (b) "Apprentice" means an employee participating in an early childhood registered
 459.16 apprenticeship program.

459.17 (c) "Early childhood registered apprenticeship program" means an organization registered
 459.18 with the Department of Labor and Industry under chapter 178, registered with the Office
 459.19 of Apprenticeship within the United States Department of Labor, or registered with a
 459.20 recognized state apprenticeship agency under Code of Federal Regulations, title 29, parts
 459.21 29 and 30, and who is:

459.22 (1) a licensed child care center under Minnesota Rules, chapter 9503;

459.23 (2) a licensed family and group family child care provider under Minnesota Rules,
 459.24 chapter 9502;

459.25 (3) a public prekindergarten program under section 124D.13, 124D.135, 124D.15 to
 459.26 124D.16, 125A.01 to 125A.05, or 125A.26 to 125A.48, or Laws 2017, First Special Session
 459.27 chapter 5, article 8, section 9;

459.28 (4) a Head Start program under sections 119A.50 to 119A.54; or

459.29 (5) a certified, license-exempt child care center under chapter 245H.

459.30 (d) "Mentor" means an early childhood registered apprenticeship program journeyworker
 459.31 under section 178.011, subdivision 9, and who has a career lattice step of nine or higher.

460.1 Subd. 3. **Program components.** The organization holding the TEACH license with the
460.2 Department of Human Services shall distribute the grant and must use the grant for:

460.3 (1) tuition scholarships for apprentices for courses leading to a higher education degree
460.4 in early childhood;

460.5 (2) stipends for mentors; or

460.6 (3) stipends for early childhood registered apprenticeship programs.

460.7 Subd. 4. **Grants to apprentices.** An apprentice may receive a higher education
460.8 scholarship of up to \$10,000 for up to 24 months under this section, provided the apprentice
460.9 complies with the following program requirements:

460.10 (1) enrolls in an early childhood registered apprenticeship program;

460.11 (2) is a current participant in good standing in the TEACH scholarship program under
460.12 section 119B.251;

460.13 (3) participates in monthly meetings with a mentor;

460.14 (4) works toward meeting early childhood competencies identified in Minnesota's
460.15 Knowledge and Competency Framework for early childhood professionals, as observed by
460.16 a mentor; and

460.17 (5) works toward the attainment of a higher education degree in early childhood.

460.18 Subd. 5. **Allowable uses.** Grant recipients may use grant money for personal expenses.

460.19 Subd. 6. **Stipends for mentors.** A mentor shall receive up to \$4,000 for each apprentice
460.20 mentored under this section, provided the mentor complies with the requirements in the
460.21 apprenticeship program standard and completes eight weeks of mentor training and additional
460.22 training on observation. The training shall be free of charge to mentors.

460.23 Subd. 7. **Stipends for early childhood registered apprenticeship programs.** (a) An
460.24 early childhood registered apprenticeship program shall receive up to \$5,000 for the first
460.25 apprentice and up to \$2,500 for each additional apprentice employed under this section,
460.26 provided the early childhood registered apprenticeship program complies with the
460.27 requirements in the apprenticeship program standard and the following requirements:

460.28 (1) sponsor each apprentice's TEACH scholarship under section 119B.251; and

460.29 (2) provide each apprentice at least three hours a week of paid release time for
460.30 coursework.

461.1 (b) An early childhood program may not host more than three apprentices at one site in
461.2 a 12-month period.

461.3 **Sec. 17. [119B.27] CHILD CARE RETENTION PROGRAM.**

461.4 Subdivision 1. **Establishment.** A child care retention program is established to provide
461.5 eligible child care programs with payments to improve access to child care in Minnesota
461.6 and to strengthen the ability of child care programs to recruit and retain qualified early
461.7 educators to work in child care programs. The child care retention program shall be
461.8 administered by the commissioner of human services.

461.9 Subd. 2. **Eligible programs.** (a) The following programs are eligible to receive child
461.10 care retention payments under this section:

461.11 (1) family and group family child care homes licensed under Minnesota Rules, chapter
461.12 9502;

461.13 (2) child care centers licensed under Minnesota Rules, chapter 9503;

461.14 (3) certified license-exempt child care centers under chapter 245H;

461.15 (4) Tribally licensed child care programs; and

461.16 (5) other programs as determined by the commissioner.

461.17 (b) To be eligible, programs must not be:

461.18 (1) the subject of a finding of fraud for which the program or individual is currently
461.19 -serving a penalty or exclusion;

461.20 (2) the subject of suspended, denied, or terminated payments to a provider under section
461.21 256.98, subdivision 1; 119B.13, subdivision 6, paragraph (d), clauses (1) and (2); or 245E.02,
461.22 subdivision 4, paragraph (c), clause (4), regardless of whether the action is under appeal;

461.23 (3) prohibited from receiving public funds under section 245.095, regardless of whether
461.24 the action is under appeal; or

461.25 (4) under license revocation, suspension, temporary immediate suspension, or
461.26 decertification, regardless of whether the action is under appeal.

461.27 Subd. 3. **Requirements.** (a) As a condition of payment, all providers receiving retention
461.28 payments under this section must:

461.29 (1) complete an application developed by the commissioner for each payment period
461.30 for which the eligible program applies for funding;

462.1 (2) attest and agree in writing that the program was open and operating and served a
462.2 minimum number of children, as determined by the commissioner, during the funding
462.3 period, with the exceptions of:

462.4 (i) service disruptions that are necessary to protect the safety and health of children and
462.5 child care programs based on public health guidance issued by the Centers for Disease
462.6 Control and Prevention, the commissioner of health, the commissioner of human services,
462.7 or a local public health agency;

462.8 (ii) planned temporary closures for provider vacation and holidays during each payment
462.9 period. The maximum allowed duration of vacations and holidays must be established by
462.10 the commissioner; and

462.11 (3) submit data on child enrollment and attendance to the commissioner in the form and
462.12 manner requested by the commissioner.

462.13 (b) Funds received under this section must be expended by a provider no later than six
462.14 months after the date the payment was received.

462.15 (c) Recipients must comply with all requirements listed in the application under this
462.16 section. Methods for demonstrating that requirements have been met shall be determined
462.17 by the commissioner.

462.18 (d) Recipients must keep accurate and legible records of the following at the site where
462.19 services are delivered:

462.20 (1) use of money;

462.21 (2) attendance records. Daily attendance records must be completed every day and
462.22 include the date, the first and last name of each child in attendance, and the times when
462.23 each child is dropped off and picked up. To the extent possible, the times that the child was
462.24 dropped off and picked up from the child care provider must be entered by the person
462.25 dropping off or picking up the child; and

462.26 (3) staff employment, compensation, and benefits records. Employment, compensation,
462.27 and benefits records must include time sheets or other records of daily hours worked;
462.28 documentation of compensation and benefits; documentation of written changes to employees'
462.29 rate or rates of pay and basis thereof as a result of retention payments, as required under
462.30 section 181.032, paragraphs (d) to (f); and any other records required to be maintained under
462.31 section 177.30.

462.32 (e) The requirement to document compensation and benefits only applies to family child
462.33 care providers if retention payment funds are used for employee compensation and benefits.

463.1 (f) All records must be retained at the site where services are delivered for six years after
463.2 the date of receipt of payment and be made immediately available to the commissioner upon
463.3 request. Any records not provided to the commissioner at the date and time of the request
463.4 are deemed inadmissible if offered as evidence by a provider in any proceeding to contest
463.5 an overpayment or disqualification of the provider.

463.6 (g) Recipients that fail to meet the requirements under this section are subject to
463.7 discontinuation of future installment payments, recovery of overpayments, and actions under
463.8 chapter 245E. Except when based on a finding of fraud, actions to establish an overpayment
463.9 must be made within six years of receipt of the payments. Once an overpayment is
463.10 established, collection may continue until funds have been repaid in full. The appeal process
463.11 under section 119B.16 applies to actions taken for failure to meet the requirements of this
463.12 section.

463.13 Subd. 4. **Providing payments.** (a) The commissioner shall provide retention payments
463.14 under this section to all eligible programs on a noncompetitive basis.

463.15 (b) The commissioner shall award retention payments to all eligible programs. The
463.16 payment amounts shall be based on the number of full-time equivalent staff who regularly
463.17 care for children in the program, including any employees, sole proprietors, or independent
463.18 contractors.

463.19 (c) One full-time equivalent is defined as an individual caring for children 32 hours per
463.20 week. An individual can count as more or less than one full-time equivalent staff, but as no
463.21 more than two full-time equivalent staff.

463.22 (d) The amount awarded per full-time equivalent individual caring for children for each
463.23 payment type must be established by the commissioner.

463.24 (e) Payments must be increased by 25 percent for providers receiving payments through
463.25 the child care assistance programs under section 119B.03 or 119B.05 or early learning
463.26 scholarships under section 124D.165 or whose program is located in a child care access
463.27 equity area. Child care access equity areas are areas with low access to child care, high
463.28 poverty rates, high unemployment rates, low home ownership rates, and low median
463.29 household incomes. The commissioner must develop a method for establishing child care
463.30 access equity areas.

463.31 (f) The commissioner shall make payments to eligible programs under this section in
463.32 the form, frequency, and manner established by the commissioner.

464.1 Subd. 5. **Eligible uses of money.** (a) Recipients that are child care centers licensed under
464.2 Minnesota Rules, chapter 9503; certified license-exempt child care centers under chapter
464.3 245H; or Tribally licensed child care centers must use money provided under this section
464.4 to pay for increases in compensation, benefits, premium pay, or additional federal taxes
464.5 assessed on the compensation of employees as a result of paying increased compensation
464.6 or premium pay to all paid employees or independent contractors regularly caring for
464.7 children. The increases in this paragraph must occur no less frequently than once per year.

464.8 (b) Recipients that are family and group family child care homes licensed under
464.9 Minnesota Rules, chapter 9502, or are Tribally licensed family child care homes shall use
464.10 money provided under this section for one or more of the following uses:

464.11 (1) paying personnel costs, such as payroll, salaries, or similar compensation; employee
464.12 benefits; premium pay; or financial incentives for recruitment and retention for an employee,
464.13 a sole proprietor, or an independent contractor;

464.14 (2) paying rent, including rent under a lease agreement, or making payments on any
464.15 mortgage obligation, utilities, facility maintenance or improvements, property taxes, or
464.16 insurance;

464.17 (3) purchasing or updating equipment, supplies, goods, or services;

464.18 (4) providing mental health supports for children; or

464.19 (5) purchasing training or other professional development.

464.20 Subd. 6. **Legal nonlicensed child care provider payments.** (a) Legal nonlicensed child
464.21 care providers, as defined in section 119B.011, subdivision 16, may be eligible to apply for
464.22 a payment of up to \$500 for costs incurred before the first month when payments from the
464.23 child care assistance program are issued.

464.24 (b) Payments must be used on one or more of the following eligible activities to meet
464.25 child care assistance program requirements under sections 119B.03 and 119B.05:

464.26 (1) purchasing or updating equipment, supplies, goods, or services; or

464.27 (2) purchasing training or other professional development.

464.28 (c) The commissioner shall determine the form and manner of the application for a
464.29 payment under this subdivision.

464.30 Subd. 7. **Carryforward authority.** Funds appropriated under this section are available
464.31 until expended.

465.1 Subd. 8. Report. By January 1 each year, the commissioner must report to the chairs
465.2 and ranking minority members of the legislative committees with jurisdiction over child
465.3 care the number of payments provided to recipients and outcomes of the retention payment
465.4 program since the last report. This subdivision expires January 31, 2033.

465.5 Sec. 18. [119B.28] SHARED SERVICES GRANTS.

465.6 (a) The commissioner of human services shall establish a grant program to distribute
465.7 funds for the planning, establishment, expansion, improvement, or operation of shared
465.8 services alliances to allow family child care providers to achieve economies of scale. The
465.9 commissioner must develop a process to fund organizations to operate shared services
465.10 alliances that includes application forms, timelines, and standards for renewal. For purposes
465.11 of this section, "shared services alliances" means networks of licensed family child care
465.12 providers that share services to reduce costs and achieve efficiencies.

465.13 (b) Programs eligible to be a part of the shared services alliances supported through this
465.14 grant program include:

465.15 (1) family child care or group family child care homes licensed under Minnesota Rules,
465.16 chapter 9502;

465.17 (2) Tribally licensed family child care or group family child care; and

465.18 (3) individuals in the process of starting a family child care or group family child care
465.19 home.

465.20 (c) Eligible applicants include public entities and private for-profit and nonprofit
465.21 organizations.

465.22 (d) Grantees shall use the grant funds to deliver one or more of the following services:

465.23 (1) pooling the management of payroll and benefits, banking, janitorial services, food
465.24 services, and other operations;

465.25 (2) shared administrative staff for tasks such as record keeping and reporting for programs
465.26 such as the child care assistance program, Head Start, the child and adult care food program,
465.27 and early learning scholarships;

465.28 (3) coordination of bulk purchasing;

465.29 (4) management of a substitute pool;

465.30 (5) support for implementing shared curriculum and assessments;

465.31 (6) mentoring child care provider participants to improve business practices;

466.1 (7) provision of and training in child care management software to simplify processes
 466.2 such as enrollment, billing, and tracking expenditures;

466.3 (8) support for a group of providers sharing one or more physical spaces within a larger
 466.4 building; or

466.5 (9) other services as determined by the commissioner.

466.6 (e) The commissioner must consult with the commissioner of management and budget
 466.7 on program outcomes, evaluation metrics, and progress indicators for the grant program
 466.8 under this section. The commissioner must only implement program outcomes, evaluation
 466.9 metrics, and progress indicators that are determined through and agreed upon during the
 466.10 consultation with the commissioner of management and budget. The commissioner shall
 466.11 not implement the grant program under this section until the consultation with the
 466.12 commissioner of management and budget is completed. The commissioner must incorporate
 466.13 agreed upon program outcomes, evaluation metrics, and progress indicators into grant
 466.14 applications, requests for proposals, and any reports to the legislature.

466.15 **EFFECTIVE DATE.** This section is effective July 1, 2023.

466.16 Sec. 19. **[119B.29] CHILD CARE PROVIDER ACCESS TO TECHNOLOGY**
 466.17 **GRANTS.**

466.18 (a) The commissioner of human services shall distribute money provided by this section
 466.19 through grants to one or more organizations to offer grants or other supports to child care
 466.20 providers for technology intended to improve the providers' business practices. The
 466.21 commissioner must develop a process to fund organizations to provide technology supports
 466.22 that includes application forms, timelines, reporting requirements, and standards for renewal.

466.23 (b) Programs eligible to be supported through this grant program include:

466.24 (1) child care centers licensed under Minnesota Rules, chapter 9503;

466.25 (2) family or group family child care homes licensed under Minnesota Rules, chapter
 466.26 9502; and

466.27 (3) Tribally licensed centers, family child care, and group family child care.

466.28 (c) Eligible applicants include public entities and private for-profit and nonprofit
 466.29 organizations with the ability to develop technology products for child care business
 466.30 management or offer training, technical assistance, coaching, or other supports for child
 466.31 care providers to use technology products for child care business management.

467.1 (d) Grantees shall use the grant funds, either directly or through grants to providers, for
 467.2 one or more of the following purposes:

467.3 (1) the purchase of computers or mobile devices for use in business management;

467.4 (2) access to the Internet through the provision of necessary hardware such as routers
 467.5 or modems or by covering the costs of monthly fees for Internet access;

467.6 (3) covering the costs of subscription to child care management software;

467.7 (4) covering the costs of training in the use of technology for business management
 467.8 purposes; and

467.9 (5) other services as determined by the commissioner.

467.10 Sec. 20. Minnesota Statutes 2022, section 256.046, subdivision 3, is amended to read:

467.11 Subd. 3. **Administrative disqualification of child care providers caring for children**
 467.12 **receiving child care assistance.** (a) The department ~~or local agency~~ shall pursue an
 467.13 administrative disqualification, if the child care provider is accused of committing an
 467.14 intentional program violation, in lieu of a criminal action when it has not been pursued.
 467.15 Intentional program violations include intentionally making false or misleading statements;
 467.16 intentionally misrepresenting, concealing, or withholding facts; and repeatedly and
 467.17 intentionally violating program regulations under chapters 119B and 245E. Intent may be
 467.18 proven by demonstrating a pattern of conduct that violates program rules under chapters
 467.19 119B and 245E.

467.20 (b) To initiate an administrative disqualification, ~~a local agency or~~ the commissioner
 467.21 must mail written notice by certified mail to the provider against whom the action is being
 467.22 taken. Unless otherwise specified under chapter 119B or 245E or Minnesota Rules, chapter
 467.23 3400, ~~a local agency or~~ the commissioner must mail the written notice at least 15 calendar
 467.24 days before the adverse action's effective date. The notice shall state (1) the factual basis
 467.25 for the agency's determination, (2) the action the agency intends to take, (3) the dollar amount
 467.26 of the monetary recovery or recoupment, if known, and (4) the provider's right to appeal
 467.27 the agency's proposed action.

467.28 (c) The provider may appeal an administrative disqualification by submitting a written
 467.29 request to the Department of Human Services, Appeals Division. A provider's request must
 467.30 be received by the Appeals Division no later than 30 days after the date ~~a local agency or~~
 467.31 the commissioner mails the notice.

467.32 (d) The provider's appeal request must contain the following:

468.1 (1) each disputed item, the reason for the dispute, and, if applicable, an estimate of the
468.2 dollar amount involved for each disputed item;

468.3 (2) the computation the provider believes to be correct, if applicable;

468.4 (3) the statute or rule relied on for each disputed item; and

468.5 (4) the name, address, and telephone number of the person at the provider's place of
468.6 business with whom contact may be made regarding the appeal.

468.7 (e) On appeal, the issuing agency bears the burden of proof to demonstrate by a
468.8 preponderance of the evidence that the provider committed an intentional program violation.

468.9 (f) The hearing is subject to the requirements of sections 256.045 and 256.0451. The
468.10 human services judge may combine a fair hearing and administrative disqualification hearing
468.11 into a single hearing if the factual issues arise out of the same or related circumstances and
468.12 the provider receives prior notice that the hearings will be combined.

468.13 (g) A provider found to have committed an intentional program violation and is
468.14 administratively disqualified shall be disqualified, for a period of three years for the first
468.15 offense and permanently for any subsequent offense, from receiving any payments from
468.16 any child care program under chapter 119B.

468.17 (h) Unless a timely and proper appeal made under this section is received by the
468.18 department, the administrative determination of the department is final and binding.

468.19 **EFFECTIVE DATE.** This section is effective April 28, 2025.

468.20 Sec. 21. Minnesota Statutes 2022, section 256.983, subdivision 5, is amended to read:

468.21 Subd. 5. **Child care providers; financial misconduct.** (a) A county or tribal agency
468.22 may conduct investigations of financial misconduct by child care providers as described in
468.23 chapter 245E. Prior to opening an investigation, a county or tribal agency must contact the
468.24 commissioner to determine whether an investigation under this chapter may compromise
468.25 an ongoing investigation.

468.26 (b) If, upon investigation, a preponderance of evidence shows a provider committed an
468.27 intentional program violation, intentionally gave the county or tribe materially false
468.28 information on the provider's billing forms, provided false attendance records to a county,
468.29 tribe, or the commissioner, or committed financial misconduct as described in section
468.30 245E.01, subdivision 8, the county or tribal agency may recommend that the commissioner
468.31 suspend a provider's payment pursuant to chapter 245E, or deny or revoke a provider's
468.32 authorization pursuant to section 119B.13, subdivision 6, paragraph (d), clause (2), prior to

469.1 pursuing other available remedies. ~~The county or tribe must send notice in accordance with~~
 469.2 ~~the requirements of section 119B.161, subdivision 2. If a provider's payment is suspended~~
 469.3 ~~under this section, the payment suspension shall remain in effect until: (1) the commissioner,~~
 469.4 ~~county, tribe, or a law enforcement authority determines that there is insufficient evidence~~
 469.5 ~~warranting the action and a county, tribe, or the commissioner does not pursue an additional~~
 469.6 ~~administrative remedy under chapter 119B or 245E, or section 256.046 or 256.98; or (2)~~
 469.7 ~~all criminal, civil, and administrative proceedings related to the provider's alleged misconduct~~
 469.8 ~~conclude and any appeal rights are exhausted.~~

469.9 (e) ~~For the purposes of this section, an intentional program violation includes intentionally~~
 469.10 ~~making false or misleading statements; intentionally misrepresenting, concealing, or~~
 469.11 ~~withholding facts; and repeatedly and intentionally violating program regulations under~~
 469.12 ~~chapters 119B and 245E.~~

469.13 (d) ~~A provider has the right to administrative review under section 119B.161 if: (1)~~
 469.14 ~~payment is suspended under chapter 245E; or (2) the provider's authorization was denied~~
 469.15 ~~or revoked under section 119B.13, subdivision 6, paragraph (d), clause (2).~~

469.16 **EFFECTIVE DATE.** This section is effective April 28, 2025.

469.17 Sec. 22. **DIRECTION TO COMMISSIONER; CHILD CARE AND EARLY**
 469.18 **EDUCATION PROFESSIONAL WAGE SCALE.**

469.19 (a) The commissioner of human services shall develop, in consultation with the
 469.20 commissioner of employment and economic development, the commissioner of education,
 469.21 the Children's Cabinet, and relevant stakeholders, a child care and early education
 469.22 professional wage scale that:

469.23 (1) provides recommended wages that are equivalent to elementary school educators
 469.24 with similar credentials and experience;

469.25 (2) provides recommended levels of compensation and benefits, such as professional
 469.26 development stipends, health care benefits, and retirement benefits, that vary based on child
 469.27 care and early education professional roles and qualifications, and other criteria established
 469.28 by the commissioner; and

469.29 (3) is applicable to the following types of child care and early education programs:

469.30 (i) licensed family and group family child care under Minnesota Rules, chapter 9502;

469.31 (ii) licensed child care centers under Minnesota Rules, chapter 9503;

469.32 (iii) certified, license-exempt child care centers under Minnesota Statutes, chapter 245H;

470.1 (iv) voluntary prekindergarten and school readiness plus programs;

470.2 (v) school readiness programs;

470.3 (vi) early childhood family education programs;

470.4 (vii) programs for children who are eligible for Part B or Part C of the Individuals with

470.5 Disabilities Education Act (Public Law 108-446); and

470.6 (viii) Head Start programs.

470.7 (b) By January 30, 2025, the commissioner must submit a report to the legislative

470.8 committees with jurisdiction over early childhood programs on the development of the wage

470.9 scale and make recommendations for how the wage scale could be used to inform payment

470.10 rates for child care assistance under Minnesota Statutes, chapter 119B, and great start

470.11 scholarships under Minnesota Statutes, section 119C.01.

470.12 **Sec. 23. DIRECTION TO COMMISSIONER; TRANSITION CHILD CARE**

470.13 **STABILIZATION GRANTS.**

470.14 (a) The commissioner of human services must continue providing child care stabilization

470.15 grants under Laws 2021, First Special Session chapter 7, article 14, section 21, from July

470.16 1, 2023, through no later than December 31, 2023.

470.17 (b) The commissioner shall award transition child care stabilization grant amounts to

470.18 all eligible programs. The transition month grant amounts must be based on the number of

470.19 full-time equivalent staff who regularly care for children in the program, including employees,

470.20 sole proprietors, or independent contractors. One full-time equivalent staff is defined as an

470.21 individual caring for children 32 hours per week. An individual can count as more, or less,

470.22 than one full-time equivalent staff, but as no more than two full-time equivalent staff.

470.23 **Sec. 24. RECOGNIZING COMPARABLE COMPETENCIES TO ACHIEVE**

470.24 **COMPARABLE COMPENSATION TASK FORCE.**

470.25 Subdivision 1. **Establishment.** The Recognizing Comparable Competencies to Achieve

470.26 Comparable Compensation Task Force is established to develop methods for incorporating

470.27 competencies and experiences, as well as educational attainment, into a compensation model

470.28 for the early childhood workforce.

470.29 Subd. 2. **Membership.** (a) The task force shall consist of the following members,

470.30 appointed by the governor:

471.1 (1) two individuals who are directors of a licensed child care center, one from greater
471.2 Minnesota and one from the seven-county metropolitan area;

471.3 (2) two individuals who are license holders of family child care programs, one from
471.4 greater Minnesota and one from the seven-county metropolitan area;

471.5 (3) four individuals who are early childhood educators, one who works in a licensed
471.6 child care center, one who works in a public-school-based early childhood program, one
471.7 who works in a Head Start program or a community education program, and one who works
471.8 in a licensed family child care setting;

471.9 (4) one representative of a federally recognized Tribe who has expertise in the early care
471.10 and education system;

471.11 (5) one representative from the Children's Cabinet;

471.12 (6) two parents of children under five years of age, one parent whose child attends a
471.13 private early care and education program and one parent whose child attends a public
471.14 program. One parent under this clause must be from greater Minnesota, and the other parent
471.15 must be from the seven-county metropolitan area; and

471.16 (7) four individuals who have expertise in early childhood workforce issues.

471.17 (b) The governor must select a chair or cochairs for the task force from among the
471.18 members. The first task force meeting must be convened by the chair or cochairs and held
471.19 no later than September 1, 2023. Thereafter, the chair or cochairs shall convene the task
471.20 force at least monthly and may convene other meetings as necessary. The chair or cochairs
471.21 shall convene meetings in a manner to allow for access from diverse geographic locations
471.22 in Minnesota.

471.23 (c) Compensation of task force members, filling of task force vacancies, and removal
471.24 of task force members are governed by Minnesota Statutes, section 15.059.

471.25 Subd. 3. **Duties.** (a) The task force must develop a compensation framework for the
471.26 early childhood workforce that incorporates competencies and experiences, as well as
471.27 educational attainment.

471.28 (b) In developing the compensation framework required under this subdivision, the task
471.29 force must:

471.30 (1) identify competencies and experiences to incorporate into the framework, including
471.31 but not limited to multilingualism and previous work experience in a direct care setting;
471.32 and

472.1 (2) propose mechanisms for including the compensation framework in the state's early
 472.2 childhood programs and services.

472.3 Subd. 4. **Administration.** (a) The commissioner of management and budget shall provide
 472.4 staff and administrative services for the task force.

472.5 (b) The task force expires upon submission of the final report required under subdivision
 472.6 5.

472.7 (c) The task force is subject to Minnesota Statutes, chapter 13D.

472.8 Subd. 5. **Required reports.** By December 1, 2024, the task force must submit its
 472.9 preliminary findings to the governor and the chairs and ranking minority members of the
 472.10 legislative committees with jurisdiction over early childhood programs. By January 15,
 472.11 2025, the task force must submit the compensation framework and proposed mechanisms
 472.12 for incorporating the framework into the state's early childhood programs and services to
 472.13 the governor and the chairs and ranking minority members of the legislative committees
 472.14 with jurisdiction over early childhood programs.

472.15 **ARTICLE 15**

472.16 **CHILD SUPPORT, SAFETY, AND PERMANENCY**

472.17 Section 1. [245.0962] **QUALITY PARENTING INITIATIVE GRANT PROGRAM.**

472.18 Subdivision 1. **Establishment.** The commissioner of human services must establish a
 472.19 quality parenting initiative grant program to implement quality parenting initiative principles
 472.20 and practices to support children and families experiencing foster care placements.

472.21 Subd. 2. **Eligible applicants.** To be eligible for a grant under this section, applicants
 472.22 must be a nonprofit organization or a nongovernmental organization and must have
 472.23 experience providing training and technical assistance on how to implement quality parenting
 472.24 initiative principles and practices.

472.25 Subd. 3. **Application.** An organization seeking a grant under this section must apply to
 472.26 the commissioner at a time and in a manner specified by the commissioner.

472.27 Subd. 4. **Grant activities.** Grant funds must be used to provide training and technical
 472.28 assistance to county and Tribal agencies, community-based agencies, and other stakeholders
 472.29 on:

472.30 (1) conducting initial foster care phone calls under section 260C.219, subdivision 6;

472.31 (2) supporting practices that create birth family to foster family partnerships; and

473.1 (3) informing child welfare practices by supporting youth leadership and the participation
473.2 of individuals with experience in the foster care system.

473.3 Sec. 2. Minnesota Statutes 2022, section 256N.26, subdivision 12, is amended to read:

473.4 Subd. 12. **Treatment of Supplemental Security Income.** ~~If a child placed in foster~~
473.5 ~~care receives benefits through Supplemental Security Income (SSI) at the time of foster~~
473.6 ~~care placement or subsequent to placement in foster care, the financially responsible agency~~
473.7 ~~may apply to be the payee for the child for the duration of the child's placement in foster~~
473.8 ~~care.~~ If a child continues to be eligible for SSI Supplemental Security Income benefits after
473.9 finalization of the adoption or transfer of permanent legal and physical custody and is
473.10 determined to be eligible for a payment under Northstar Care for Children, a permanent
473.11 caregiver may choose to receive payment from both programs simultaneously. The permanent
473.12 caregiver is responsible to report the amount of the payment to the Social Security
473.13 Administration and the SSI Supplemental Security Income payment will be reduced as
473.14 required by the Social Security Administration.

473.15 Sec. 3. [256N.262] FOSTER CHILDREN BENEFITS TRUST.

473.16 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
473.17 the meanings given.

473.18 (b) "Beneficiary" means a current or former child in foster care who is or was entitled
473.19 to cash benefits.

473.20 (c) "Cash benefits" means all sources of income a child in foster care is entitled to,
473.21 including death benefits; survivor benefits; crime victim impact payments; federal cash
473.22 benefits from programs administered by the Social Security Administration, including from
473.23 the Supplemental Security Income and the Retirement, Survivors, Disability Insurance
473.24 programs; and any other eligible income as determined by the Office of the Foster Youth
473.25 Ombudsperson.

473.26 Subd. 2. Establishment. (a) The foster children benefits trust is established. The trust
473.27 must be funded by appropriations to the Office of the Foster Youth Ombudsperson to
473.28 compensate beneficiaries for cash benefits taken by a financially responsible agency to pay
473.29 for the beneficiaries' care. The trust must be managed to ensure the stability and growth of
473.30 the trust.

473.31 (b) All assets of the trust are held in trust for the exclusive benefit of beneficiaries. Assets
473.32 must be held in a separate account in the state treasury to be known as the foster children

474.1 benefits trust account or in accounts with the third-party provider selected pursuant to
474.2 subdivision 9.

474.3 Subd. 3. **Requirements of financially responsible agencies.** (a) A financially responsible
474.4 agency must assess whether each child the agency is responsible for is eligible to receive
474.5 any cash benefits as soon as the custody of the child is transferred to a child placing agency
474.6 or responsible social services agency pursuant to section 260C.201, subdivision 1, or the
474.7 child is otherwise transferred to the state.

474.8 (b) If a child placed in foster care is eligible to receive cash benefits, the financially
474.9 responsible agency must:

474.10 (1) apply to be the payee for the child for the duration of the child's placement in foster
474.11 care;

474.12 (2) at least monthly, transfer all cash benefits received on behalf of a beneficiary to the
474.13 Office of the Foster Youth Ombudsperson to be deposited in the trust;

474.14 (3) at least annually, notify the Office of the Foster Youth Ombudsperson of all cash
474.15 benefits received for each beneficiary along with documentation identifying the beneficiary
474.16 and amounts received for the child;

474.17 (4) notify each beneficiary 18 years of age or older that the beneficiary may be entitled
474.18 to disbursements pursuant to the foster children benefits trust and inform the child how to
474.19 contact the Office of the Foster Youth Ombudsperson about the trust; and

474.20 (5) retain all documentation related to cash benefits received for a beneficiary for at least
474.21 five years after the agency is no longer the beneficiary's financially responsible agency.

474.22 (c) The financially responsible agency is liable to a beneficiary for any benefit payment
474.23 that the agency receives as payee for a beneficiary and that is not included in the
474.24 documentation sent to the Office of the Foster Youth Ombudsperson as required by this
474.25 subdivision.

474.26 Subd. 4. **Deposits.** The Office of the Foster Youth Ombudsperson must deposit an
474.27 amount equal to the cash benefits received by a financially responsible agency in a separate
474.28 account for each beneficiary.

474.29 Subd. 5. **Ombudsperson's duties.** (a) The Office of the Foster Youth Ombudsperson
474.30 must keep a record of the amounts deposited pursuant to subdivision 4 and all disbursements
474.31 for each beneficiary's account.

475.1 (b) Annually, The Office of the Foster Youth Ombudsperson must determine the annual
475.2 interest earnings of the trust, which include realized capital gains and losses.

475.3 (c) The Office of the Foster Youth Ombudsperson must apportion any annual capital
475.4 gains earnings to the separate beneficiaries' accounts. The rate to be used in this
475.5 apportionment, computed to the last full quarter percent, must be determined by dividing
475.6 the capital gains earnings by the total invested assets of the trust.

475.7 (d) For each beneficiary between the ages of 14 and 18, the Office of the Foster Youth
475.8 Ombudsperson must notify the beneficiary of the amount of cash benefits received on the
475.9 beneficiary's behalf in the prior calendar year and the tax implications of those benefits by
475.10 February 1 of each year.

475.11 (e) Account owner data, account data, and data on beneficiaries of accounts are private
475.12 data on individuals or nonpublic data as defined in section 13.02.

475.13 Subd. 6. **Account protections.** (a) Trust assets are not subject to claims by creditors of
475.14 the state, are not part of the general fund, and are not subject to appropriation by the state.

475.15 (b) Trust assets may not be used as collateral, as a part of a structured settlement, or in
475.16 any way contracted to be paid to anyone who is not the beneficiary.

475.17 (c) Trust assets are not subject to seizure or garnishment as assets or income of the
475.18 beneficiary.

475.19 Subd. 7. **Reports.** (a) By December 1, 2024, the Office of the Foster Youth
475.20 Ombudsperson must submit a report to the legislative committees with jurisdiction over
475.21 human services on the potential tax and state and federal benefit impacts of the trust and
475.22 disbursements on beneficiaries and include recommendations on how best to minimize any
475.23 increased tax burden or benefit reduction due to the trust.

475.24 (b) By December 1 of each year, the Office of the Foster Youth Ombudsperson must
475.25 submit a report to the legislative committees with jurisdiction over foster youth on the cost
475.26 of depositing into the trust pursuant to subdivision 4 and a projection for future costs.

475.27 Subd. 8. **Disbursements.** (a) Once a beneficiary has reached 18 years of age, the Office
475.28 of the Foster Youth Ombudsperson must disburse \$700 each month to the beneficiary until
475.29 the beneficiary's account is depleted. If the total amount remaining in a beneficiary's account
475.30 is less than \$700, the Office of the Foster Youth Ombudsperson must disburse that total
475.31 amount remaining to the beneficiary.

475.32 (b) With each disbursement, the Office of the Foster Youth Ombudsperson must include
475.33 information about the potential tax and benefits consequences of the disbursement.

476.1 (c) On petition of a minor beneficiary who is 14 years of age or older, a court may order
476.2 the Office of the Foster Youth Ombudsperson to deliver or pay to the beneficiary or expend
476.3 for the beneficiary's benefit the amount of the beneficiary's trust account as the court
476.4 considers advisable for the use and benefit of the beneficiary.

476.5 Subd. 9. **Administration.** The Office of the Foster Youth Ombudsperson must administer
476.6 the program pursuant to this section. The Office of the Foster Youth Ombudsperson may
476.7 contract with one or more third parties to carry out some or all of these administrative duties,
476.8 including managing the assets of the trust and ensuring that records are maintained.

476.9 Subd. 10. **Repayment program.** (a) No later than January 1, 2025, the Office of the
476.10 Foster Youth Ombudsperson must identify every person for whom a financially responsible
476.11 agency received cash benefits as the person's representative payee between August 1, 2018,
476.12 and July 31, 2023, and the amount of money diverted to the financially responsible agency
476.13 during that time. The Office of the Foster Youth Ombudsperson must attempt to notify
476.14 every individual identified in this paragraph of the individual's potential eligibility for
476.15 repayment pursuant to this subdivision no later than July 1, 2025.

476.16 (b) No later than January 1, 2026, the Office of the Foster Youth Ombudsperson must
476.17 begin accepting applications for individuals described in paragraph (a) to receive
476.18 compensation for cash benefits diverted to the individual's financially responsible agency
476.19 between August 1, 2018, and July 31, 2023. The Office of the Foster Youth Ombudsperson
476.20 must develop a system to process the applications and approve all applications that can
476.21 show that the applicant had cash benefits diverted to a financially responsible agency between
476.22 August 1, 2018, and July 31, 2023.

476.23 (c) For every beneficiary already enrolled in the foster youth benefits trust that the Office
476.24 of the Foster Youth Ombudsperson determines had cash benefits diverted to a financially
476.25 responsible agency between August 1, 2018, and July 31, 2023, the Office of the Foster
476.26 Youth Ombudsperson must deposit an amount equal to the cash benefits diverted to a
476.27 financially responsible agency between August 1, 2018, and July 31, 2023, into the
476.28 beneficiary's trust account. The Office of the Foster Youth Ombudsperson must screen
476.29 beneficiaries for eligibility under this paragraph automatically without requiring an
476.30 application from the beneficiaries.

476.31 (d) For every applicant under paragraph (b) who is not already enrolled in the foster
476.32 youth benefits trust, the Office of the Foster Youth Ombudsperson must directly award the
476.33 applicant an amount equal to the cash benefits diverted to a financially responsible agency
476.34 between August 1, 2018, and July 31, 2023.

477.1 (e) No later than January 31, 2025, the Office of the Foster Youth Ombudsperson must
477.2 issue a report to the chairs and ranking minority members of the legislative committees with
477.3 jurisdiction over foster youth. The report must include:

477.4 (1) the number of persons identified for whom a financially responsible agency received
477.5 cash benefits as the person's representative payee between August 1, 2018, and July 31,
477.6 2023; and

477.7 (2) the Office of the Foster Youth Ombudsperson's plan for notifying eligible persons
477.8 described in paragraph (a).

477.9 Subd. 11. **Rulemaking authority.** The Office of the Foster Youth Ombudsperson is
477.10 authorized, subject to the provisions of chapter 14, to make rules necessary to the operation
477.11 of the foster youth benefits trust and repayment program and to aid in performing its
477.12 administrative duties and ensuring an equitable result for beneficiaries and former foster
477.13 youths.

477.14 Sec. 4. **[260.014] FAMILY FIRST PREVENTION AND EARLY INTERVENTION**
477.15 **ALLOCATION PROGRAM.**

477.16 Subdivision 1. **Authorization.** The commissioner shall establish a program that allocates
477.17 money to counties and federally recognized Tribes in Minnesota to provide prevention and
477.18 early intervention services.

477.19 Subd. 2. **Uses.** (a) Money allocated to counties and Tribes may be used for the following
477.20 purposes:

477.21 (1) to implement or expand any service or program that is included in the state's
477.22 prevention plan;

477.23 (2) to implement or expand any proposed service or program;

477.24 (3) to implement or expand any existing service or programming; and

477.25 (4) any other use approved by the commissioner.

477.26 A county or a Tribe must use at least ten percent of the allocation to provide services and
477.27 supports directly to families.

477.28 Subd. 3. **Payments.** (a) The commissioner shall allocate state funds appropriated under
477.29 this section to each county board or Tribe on a calendar-year basis using a formula established
477.30 by the commissioner.

478.1 (b) Notwithstanding this subdivision, to the extent that money is available, no county
 478.2 or Tribe shall be allocated less than:

478.3 (1) \$25,000 in calendar year 2024;

478.4 (2) \$50,000 in calendar year 2025; and

478.5 (3) \$75,000 in calendar year 2026 and each year thereafter.

478.6 (c) A county agency or an initiative Tribe must submit a plan and report the use of money
 478.7 as determined by the commissioner.

478.8 (d) The commissioner may distribute money under this section for a two-year period.

478.9 Subd. 4. Prohibition on supplanting existing funds. Funds received under this section
 478.10 must be used to address prevention and early intervention staffing, programming, and other
 478.11 activities as determined by the commissioner. Funds must not be used to supplant current
 478.12 county or Tribal expenditures for these purposes.

478.13 Sec. 5. Minnesota Statutes 2022, section 260.761, subdivision 2, is amended to read:

478.14 Subd. 2. **Agency and court notice to tribes.** (a) When a local social services agency
 478.15 has information that a family assessment ~~or~~ investigation, or noncaregiver sex trafficking
 478.16 assessment being conducted may involve an Indian child, the local social services agency
 478.17 shall notify the Indian child's tribe of the family assessment ~~or~~ investigation, or noncaregiver
 478.18 sex trafficking assessment according to section 260E.18. The local social services agency
 478.19 shall provide initial notice ~~shall be provided~~ by telephone and by email or facsimile. The
 478.20 local social services agency shall request that the tribe or a designated tribal representative
 478.21 participate in evaluating the family circumstances, identifying family and tribal community
 478.22 resources, and developing case plans.

478.23 (b) When a local social services agency has information that a child receiving services
 478.24 may be an Indian child, the local social services agency shall notify the tribe by telephone
 478.25 and by email or facsimile of the child's full name and date of birth, the full names and dates
 478.26 of birth of the child's biological parents, and, if known, the full names and dates of birth of
 478.27 the child's grandparents and of the child's Indian custodian. This notification must be provided
 478.28 ~~so~~ for the tribe ~~can~~ to determine if the child is enrolled in the tribe or eligible for Tribal
 478.29 membership, and ~~must be provided~~ the agency must provide this notification to the Tribe
 478.30 within seven days of receiving information that the child may be an Indian child. If
 478.31 information regarding the child's grandparents or Indian custodian is not available within
 478.32 the seven-day period, the local social services agency shall continue to request this
 478.33 information and shall notify the tribe when it is received. Notice shall be provided to all

479.1 tribes to which the child may have any tribal lineage. If the identity or location of the child's
479.2 parent or Indian custodian and tribe cannot be determined, the local social services agency
479.3 shall provide the notice required in this paragraph to the United States secretary of the
479.4 interior.

479.5 (c) In accordance with sections 260C.151 and 260C.152, when a court has reason to
479.6 believe that a child placed in emergency protective care is an Indian child, the court
479.7 administrator or a designee shall, as soon as possible and before a hearing takes place, notify
479.8 the tribal social services agency by telephone and by email or facsimile of the date, time,
479.9 and location of the emergency protective case hearing. The court shall make efforts to allow
479.10 appearances by telephone for tribal representatives, parents, and Indian custodians.

479.11 (d) A local social services agency must provide the notices required under this subdivision
479.12 at the earliest possible time to facilitate involvement of the Indian child's tribe. Nothing in
479.13 this subdivision is intended to hinder the ability of the local social services agency and the
479.14 court to respond to an emergency situation. Lack of participation by a tribe shall not prevent
479.15 the tribe from intervening in services and proceedings at a later date. A tribe may participate
479.16 in a case at any time. At any stage of the local social services agency's involvement with
479.17 an Indian child, the agency shall provide full cooperation to the tribal social services agency,
479.18 including disclosure of all data concerning the Indian child. Nothing in this subdivision
479.19 relieves the local social services agency of satisfying the notice requirements in the Indian
479.20 Child Welfare Act.

479.21 **Sec. 6. [260.786] CHILD WELFARE STAFF ALLOCATION FOR TRIBES.**

479.22 Subdivision 1. **Allocations.** The commissioner shall allocate \$80,000 annually to each
479.23 of Minnesota's federally recognized Tribes that, at the beginning of the fiscal year, have not
479.24 joined the American Indian Child welfare initiative under section 256.01, subdivision 14b.
479.25 Tribes not participating in or planning to join the initiative as of July 1, 2023, are: Bois Fort
479.26 Band of Chippewa, Fond du Lac Band of Lake Superior Chippewa, Grand Portage Band
479.27 of Lake Superior Chippewa, Lower Sioux Indian Community, Prairie Island Indian
479.28 Community, and Upper Sioux Indian Community.

479.29 Subd. 2. **Purposes.** Funds must be used to address staffing for responding to notices
479.30 under the Indian Child Welfare Act under United States Code, title 25, sections 1901 to
479.31 1963 and 260.751 to 260.835, to the extent necessary, or providing other child protection
479.32 and child welfare services. Funds must not be used to supplant current Tribal expenditures
479.33 for these purposes.

480.1 Subd. 3. **Reporting.** By June 1 each year, Tribes receiving these funds shall provide a
480.2 report to the commissioner. The report shall be written in a manner prescribed by the
480.3 commissioner and must include an accounting of funds spent, staff hired, job duties, and
480.4 other information as required by the commissioner.

480.5 Subd. 4. **Redistribution of funds.** If a Tribe joins the American Indian child welfare
480.6 initiative, the payment for that Tribe shall be distributed equally among the remaining Tribes
480.7 receiving an allocation under this section.

480.8 Sec. 7. Minnesota Statutes 2022, section 260C.007, subdivision 6, is amended to read:

480.9 Subd. 6. **Child in need of protection or services.** "Child in need of protection or
480.10 services" means a child who is in need of protection or services because the child:

480.11 (1) is abandoned or without parent, guardian, or custodian;

480.12 (2)(i) has been a victim of physical or sexual abuse as defined in section 260E.03,
480.13 subdivision 18 or 20, (ii) resides with or has resided with a victim of child abuse as defined
480.14 in subdivision 5 or domestic child abuse as defined in subdivision 13, (iii) resides with or
480.15 would reside with a perpetrator of domestic child abuse as defined in subdivision 13 or child
480.16 abuse as defined in subdivision 5 or 13, or (iv) is a victim of emotional maltreatment as
480.17 defined in subdivision 15;

480.18 (3) is without necessary food, clothing, shelter, education, or other required care for the
480.19 child's physical or mental health or morals because the child's parent, guardian, or custodian
480.20 is unable or unwilling to provide that care;

480.21 (4) is without the special care made necessary by a physical, mental, or emotional
480.22 condition because the child's parent, guardian, or custodian is unable or unwilling to provide
480.23 that care. Parents of children reported to be in an emergency department or hospital setting
480.24 due to mental health or a disability who cannot be safely discharged to their family and are
480.25 unable to access necessary services should not be viewed as unable or unwilling to provide
480.26 care unless there are other factors present;

480.27 (5) is medically neglected, which includes, but is not limited to, the withholding of
480.28 medically indicated treatment from an infant with a disability with a life-threatening
480.29 condition. The term "withholding of medically indicated treatment" means the failure to
480.30 respond to the infant's life-threatening conditions by providing treatment, including
480.31 appropriate nutrition, hydration, and medication which, in the treating physician's, advanced
480.32 practice registered nurse's, or physician assistant's reasonable medical judgment, will be
480.33 most likely to be effective in ameliorating or correcting all conditions, except that the term

481.1 does not include the failure to provide treatment other than appropriate nutrition, hydration,
481.2 or medication to an infant when, in the treating physician's, advanced practice registered
481.3 nurse's, or physician assistant's reasonable medical judgment:

481.4 (i) the infant is chronically and irreversibly comatose;

481.5 (ii) the provision of the treatment would merely prolong dying, not be effective in
481.6 ameliorating or correcting all of the infant's life-threatening conditions, or otherwise be
481.7 futile in terms of the survival of the infant; or

481.8 (iii) the provision of the treatment would be virtually futile in terms of the survival of
481.9 the infant and the treatment itself under the circumstances would be inhumane;

481.10 (6) is one whose parent, guardian, or other custodian for good cause desires to be relieved
481.11 of the child's care and custody, including a child who entered foster care under a voluntary
481.12 placement agreement between the parent and the responsible social services agency under
481.13 section 260C.227;

481.14 (7) has been placed for adoption or care in violation of law;

481.15 (8) is without proper parental care because of the emotional, mental, or physical disability,
481.16 or state of immaturity of the child's parent, guardian, or other custodian;

481.17 (9) is one whose behavior, condition, or environment is such as to be injurious or
481.18 dangerous to the child or others. An injurious or dangerous environment may include, but
481.19 is not limited to, the exposure of a child to criminal activity in the child's home;

481.20 (10) is experiencing growth delays, which may be referred to as failure to thrive, that
481.21 have been diagnosed by a physician and are due to parental neglect;

481.22 (11) is a sexually exploited youth;

481.23 (12) has committed a delinquent act or a juvenile petty offense before becoming ten
481.24 years old;

481.25 (13) is a runaway;

481.26 (14) is a habitual truant;

481.27 (15) has been found incompetent to proceed or has been found not guilty by reason of
481.28 mental illness or mental deficiency in connection with a delinquency proceeding, a
481.29 certification under section 260B.125, an extended jurisdiction juvenile prosecution, or a
481.30 proceeding involving a juvenile petty offense; or

482.1 (16) has a parent whose parental rights to one or more other children were involuntarily
482.2 terminated or whose custodial rights to another child have been involuntarily transferred to
482.3 a relative and there is a case plan prepared by the responsible social services agency
482.4 documenting a compelling reason why filing the termination of parental rights petition under
482.5 section 260C.503, subdivision 2, is not in the best interests of the child.

482.6 Sec. 8. Minnesota Statutes 2022, section 260C.007, subdivision 14, is amended to read:

482.7 Subd. 14. **Egregious harm.** "Egregious harm" means the infliction of bodily harm to a
482.8 child or neglect of a child which demonstrates a grossly inadequate ability to provide
482.9 minimally adequate parental care. The egregious harm need not have occurred in the state
482.10 or in the county where a termination of parental rights action ~~is otherwise properly venued~~
482.11 has proper venue. Egregious harm includes, but is not limited to:

482.12 (1) conduct ~~towards~~ toward a child that constitutes a violation of sections 609.185 to
482.13 609.2114, 609.222, subdivision 2, 609.223, or any other similar law of any other state;

482.14 (2) the infliction of "substantial bodily harm" to a child, as defined in section 609.02,
482.15 subdivision 7a;

482.16 (3) conduct ~~towards~~ toward a child that constitutes felony malicious punishment of a
482.17 child under section 609.377;

482.18 (4) conduct ~~towards~~ toward a child that constitutes felony unreasonable restraint of a
482.19 child under section 609.255, subdivision 3;

482.20 (5) conduct ~~towards~~ toward a child that constitutes felony neglect or endangerment of
482.21 a child under section 609.378;

482.22 (6) conduct ~~towards~~ toward a child that constitutes assault under section 609.221, 609.222,
482.23 or 609.223;

482.24 (7) conduct ~~towards~~ toward a child that constitutes sex trafficking, solicitation,
482.25 inducement, ~~or~~ promotion of, or receiving profit derived from prostitution under section
482.26 609.322;

482.27 (8) conduct ~~towards~~ toward a child that constitutes murder or voluntary manslaughter
482.28 as defined by United States Code, title 18, section 1111(a) or 1112(a);

482.29 (9) conduct ~~towards~~ toward a child that constitutes aiding or abetting, attempting,
482.30 conspiring, or soliciting to commit a murder or voluntary manslaughter that constitutes a
482.31 violation of United States Code, title 18, section 1111(a) or 1112(a); or

483.1 (10) conduct toward a child that constitutes criminal sexual conduct under sections
483.2 609.342 to 609.345 or sexual extortion under section 609.3458.

483.3 Sec. 9. Minnesota Statutes 2022, section 260C.80, subdivision 1, is amended to read:

483.4 Subdivision 1. **Office of the Foster Youth Ombudsperson.** The Office of the Foster
483.5 Youth Ombudsperson is hereby created. The ombudsperson ~~serves at the pleasure of the~~
483.6 ~~governor in the unclassified service~~, must be selected without regard to political affiliation,
483.7 and must be a person highly competent and qualified to work to improve the lives of youth
483.8 in the foster care system, while understanding the administration and public policy related
483.9 to youth in the foster care system. The ombudsperson may be removed only for just cause.
483.10 No person may serve as the foster youth ombudsperson while holding any other public
483.11 office. The foster youth ombudsperson is accountable to the governor and may investigate
483.12 decisions, acts, and other matters related to the health, safety, and welfare of youth in foster
483.13 care to promote the highest attainable standards of competence, efficiency, and justice for
483.14 youth who are in the care of the state.

483.15 Sec. 10. Minnesota Statutes 2022, section 260E.01, is amended to read:

483.16 **260E.01 POLICY.**

483.17 (a) The legislature hereby declares that the public policy of this state is to protect children
483.18 whose health or welfare may be jeopardized through maltreatment. While it is recognized
483.19 that most parents want to keep their children safe, sometimes circumstances or conditions
483.20 interfere with their ability to do so. When this occurs, the health and safety of the children
483.21 must be of paramount concern. Intervention and prevention efforts must address immediate
483.22 concerns for child safety and the ongoing risk of maltreatment and should engage the
483.23 protective capacities of families. In furtherance of this public policy, it is the intent of the
483.24 legislature under this chapter to:

483.25 (1) protect children and promote child safety;

483.26 (2) strengthen the family;

483.27 (3) make the home, school, and community safe for children by promoting responsible
483.28 child care in all settings; and

483.29 (4) provide, when necessary, a safe temporary or permanent home environment for
483.30 maltreated children.

483.31 (b) In addition, it is the policy of this state to:

484.1 (1) require the reporting of maltreatment of children in the home, school, and community
484.2 settings;

484.3 (2) provide for ~~the~~ voluntary reporting of maltreatment of children;

484.4 (3) require an investigation when the report alleges sexual abuse or substantial child
484.5 endangerment, except when the report alleges sex trafficking by a noncaregiver sex trafficker;

484.6 (4) provide a family assessment, if appropriate, when the report does not allege sexual
484.7 abuse or substantial child endangerment; ~~and~~

484.8 (5) provide a noncaregiver sex trafficking assessment when the report alleges sex
484.9 trafficking by a noncaregiver sex trafficker; and

484.10 (6) provide protective, family support, and family preservation services when needed
484.11 in appropriate cases.

484.12 **EFFECTIVE DATE.** This section is effective July 1, 2024.

484.13 Sec. 11. Minnesota Statutes 2022, section 260E.02, subdivision 1, is amended to read:

484.14 Subdivision 1. **Establishment of team.** A county shall establish a multidisciplinary
484.15 child protection team that may include, but is not be limited to, the director of the local
484.16 welfare agency or designees, the county attorney or designees, the county sheriff or designees,
484.17 representatives of health and education, representatives of mental health, representatives of
484.18 agencies providing specialized services or responding to youth who experience or are at
484.19 risk of experiencing sex trafficking or sexual exploitation, or other appropriate human
484.20 services or community-based agencies, and parent groups. As used in this section, a
484.21 "community-based agency" may include, but is not limited to, schools, social services
484.22 agencies, family service and mental health collaboratives, children's advocacy centers, early
484.23 childhood and family education programs, Head Start, or other agencies serving children
484.24 and families. A member of the team must be designated as the lead person of the team
484.25 responsible for the planning process to develop standards for the team's activities with
484.26 battered women's and domestic abuse programs and services.

484.27 **EFFECTIVE DATE.** This section is effective July 1, 2024.

484.28 Sec. 12. Minnesota Statutes 2022, section 260E.03, is amended by adding a subdivision
484.29 to read:

484.30 Subd. 15a. **Noncaregiver sex trafficker.** "Noncaregiver sex trafficker" means an
484.31 individual who is alleged to have engaged in the act of sex trafficking a child and who is

485.1 not a person responsible for the child's care, who does not have a significant relationship
485.2 with the child as defined in section 609.341, and who is not a person in a current or recent
485.3 position of authority as defined in section 609.341, subdivision 10.

485.4 **EFFECTIVE DATE.** This section is effective July 1, 2024.

485.5 Sec. 13. Minnesota Statutes 2022, section 260E.03, is amended by adding a subdivision
485.6 to read:

485.7 Subd. 15b. **Noncaregiver sex trafficking assessment.** "Noncaregiver sex trafficking
485.8 assessment" is a comprehensive assessment of child safety, the risk of subsequent child
485.9 maltreatment, and strengths and needs of the child and family. The local welfare agency
485.10 shall only perform a noncaregiver sex trafficking assessment when a maltreatment report
485.11 alleges sex trafficking of a child by someone other than the child's caregiver. A noncaregiver
485.12 sex trafficking assessment does not include a determination of whether child maltreatment
485.13 occurred. A noncaregiver sex trafficking assessment includes a determination of a family's
485.14 need for services to address the safety of the child or children, the safety of family members,
485.15 and the risk of subsequent child maltreatment.

485.16 **EFFECTIVE DATE.** This section is effective July 1, 2024.

485.17 Sec. 14. Minnesota Statutes 2022, section 260E.03, subdivision 22, is amended to read:

485.18 Subd. 22. **Substantial child endangerment.** "Substantial child endangerment" means
485.19 that a person responsible for a child's care, by act or omission, commits or attempts to
485.20 commit an act against a child ~~under their~~ in the person's care that constitutes any of the
485.21 following:

485.22 (1) egregious harm under subdivision 5;

485.23 (2) abandonment under section 260C.301, subdivision 2;

485.24 (3) neglect under subdivision 15, paragraph (a), clause (2), that substantially endangers
485.25 the child's physical or mental health, including a growth delay, which may be referred to
485.26 as failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

485.27 (4) murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;

485.28 (5) manslaughter in the first or second degree under section 609.20 or 609.205;

485.29 (6) assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;

485.30 (7) sex trafficking, solicitation, inducement, ~~and~~ or promotion of prostitution under
485.31 section 609.322;

- 486.1 (8) criminal sexual conduct under sections 609.342 to 609.3451;
- 486.2 (9) sexual extortion under section 609.3458;
- 486.3 (10) solicitation of children to engage in sexual conduct under section 609.352;
- 486.4 (11) malicious punishment or neglect or endangerment of a child under section 609.377
- 486.5 or 609.378;
- 486.6 (12) use of a minor in sexual performance under section 617.246; or
- 486.7 (13) parental behavior, status, or condition ~~that mandates that~~ requiring the county
- 486.8 attorney to file a termination of parental rights petition under section 260C.503, subdivision
- 486.9 2.

486.10 **EFFECTIVE DATE.** This section is effective July 1, 2024.

486.11 Sec. 15. Minnesota Statutes 2022, section 260E.14, subdivision 2, is amended to read:

486.12 Subd. 2. **Sexual abuse.** (a) The local welfare agency is the agency responsible for

486.13 investigating an allegation of sexual abuse if the alleged offender is the parent, guardian,

486.14 sibling, or an individual functioning within the family unit as a person responsible for the

486.15 child's care, or a person with a significant relationship to the child if that person resides in

486.16 the child's household.

486.17 (b) The local welfare agency is also responsible for assessing or investigating when a

486.18 child is identified as a victim of sex trafficking.

486.19 **EFFECTIVE DATE.** This section is effective July 1, 2024.

486.20 Sec. 16. Minnesota Statutes 2022, section 260E.14, subdivision 5, is amended to read:

486.21 Subd. 5. **Law enforcement.** (a) The local law enforcement agency is the agency

486.22 responsible for investigating a report of maltreatment if a violation of a criminal statute is

486.23 alleged.

486.24 (b) Law enforcement and the responsible agency must coordinate their investigations

486.25 or assessments as required under this chapter when ~~the:~~ (1) a report alleges maltreatment

486.26 that is a violation of a criminal statute by a person who is a parent, guardian, sibling, person

486.27 responsible for the child's care functioning within the family unit, or by a person who lives

486.28 in the child's household and who has a significant relationship to the child, in a setting other

486.29 than a facility as defined in section 260E.03; or (2) a report alleges sex trafficking of a child.

486.30 **EFFECTIVE DATE.** This section is effective July 1, 2024.

487.1 Sec. 17. Minnesota Statutes 2022, section 260E.17, subdivision 1, is amended to read:

487.2 Subdivision 1. **Local welfare agency.** (a) Upon receipt of a report, the local welfare
487.3 agency shall determine whether to conduct a family assessment ~~or~~, an investigation, or a
487.4 noncaregiver sex trafficking assessment as appropriate to prevent or provide a remedy for
487.5 maltreatment.

487.6 (b) The local welfare agency shall conduct an investigation when the report involves
487.7 sexual abuse, except as indicated in paragraph (f), or substantial child endangerment.

487.8 (c) The local welfare agency shall begin an immediate investigation ~~if~~, at any time when
487.9 the local welfare agency is ~~using~~ responding with a family assessment ~~response~~, and the
487.10 local welfare agency determines that there is reason to believe that sexual abuse ~~or~~, substantial
487.11 child endangerment, ~~or~~ a serious threat to the child's safety exists.

487.12 (d) The local welfare agency may conduct a family assessment for reports that do not
487.13 allege sexual abuse, except as indicated in paragraph (f), or substantial child endangerment.
487.14 In determining that a family assessment is appropriate, the local welfare agency may consider
487.15 issues of child safety, parental cooperation, and the need for an immediate response.

487.16 (e) The local welfare agency may conduct a family assessment ~~on~~ for a report that was
487.17 initially screened and assigned for an investigation. In determining that a complete
487.18 investigation is not required, the local welfare agency must document the reason for
487.19 terminating the investigation and notify the local law enforcement agency if the local law
487.20 enforcement agency is conducting a joint investigation.

487.21 (f) The local welfare agency shall conduct a noncaregiver sex trafficking assessment
487.22 when a maltreatment report alleges sex trafficking of a child and the alleged offender is a
487.23 noncaregiver sex trafficker as defined by section 260E.03, subdivision 15a.

487.24 (g) During a noncaregiver sex trafficking assessment, the local welfare agency shall
487.25 initiate an immediate investigation if there is reason to believe that a child's parent, caregiver,
487.26 or household member allegedly engaged in the act of sex trafficking a child or was alleged
487.27 to have engaged in any conduct requiring the agency to conduct an investigation.

487.28 **EFFECTIVE DATE.** This section is effective July 1, 2024.

487.29 Sec. 18. Minnesota Statutes 2022, section 260E.18, is amended to read:

487.30 **260E.18 NOTICE TO CHILD'S TRIBE.**

487.31 The local welfare agency shall provide immediate notice, according to section 260.761,
487.32 subdivision 2, to an Indian child's tribe when the agency has reason to believe that the family

488.1 assessment ~~or~~, investigation, or noncaregiver sex trafficking assessment may involve an
488.2 Indian child. For purposes of this section, "immediate notice" means notice provided within
488.3 24 hours.

488.4 **EFFECTIVE DATE.** This section is effective July 1, 2024.

488.5 Sec. 19. Minnesota Statutes 2022, section 260E.20, subdivision 2, is amended to read:

488.6 Subd. 2. **Face-to-face contact.** (a) Upon receipt of a screened in report, the local welfare
488.7 agency shall ~~conduct a~~ have face-to-face contact with the child reported to be maltreated
488.8 and with the child's primary caregiver sufficient to complete a safety assessment and ensure
488.9 the immediate safety of the child. When it is possible and the report alleges substantial child
488.10 endangerment or sexual abuse, the local welfare agency is not required to provide notice
488.11 before conducting the initial face-to-face contact with the child and the child's primary
488.12 caregiver.

488.13 (b) Except in a noncaregiver sex trafficking assessment, the local welfare agency shall
488.14 have face-to-face contact with the child and primary caregiver ~~shall occur~~ immediately after
488.15 the agency screens in a report if sexual abuse or substantial child endangerment is alleged
488.16 and within five calendar days of a screened in report for all other reports. If the alleged
488.17 offender was not already interviewed as the primary caregiver, the local welfare agency
488.18 shall also conduct a face-to-face interview with the alleged offender in the early stages of
488.19 the assessment or investigation, except in a noncaregiver sex trafficking assessment.
488.20 Face-to-face contact with the child and primary caregiver in response to a report alleging
488.21 sexual abuse or substantial child endangerment may be postponed for no more than five
488.22 calendar days if the child is residing in a location that is confirmed to restrict contact with
488.23 the alleged offender as established in guidelines issued by the commissioner, or if the local
488.24 welfare agency is pursuing a court order for the child's caregiver to produce the child for
488.25 questioning under section 260E.22, subdivision 5.

488.26 (c) At the initial contact with the alleged offender, the local welfare agency or the agency
488.27 responsible for assessing or investigating the report must inform the alleged offender of the
488.28 complaints or allegations made against the individual in a manner consistent with laws
488.29 protecting the rights of the person who made the report. The interview with the alleged
488.30 offender may be postponed if it would jeopardize an active law enforcement investigation.
488.31 In a noncaregiver sex trafficking assessment, the local child welfare agency is not required
488.32 to inform or interview the alleged offender.

488.33 (d) The local welfare agency or the agency responsible for assessing or investigating
488.34 the report must provide the alleged offender with an opportunity to make a statement, except

489.1 in a noncaregiver sex trafficking assessment. The alleged offender may submit supporting
489.2 documentation relevant to the assessment or investigation.

489.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

489.4 Sec. 20. Minnesota Statutes 2022, section 260E.24, subdivision 2, is amended to read:

489.5 Subd. 2. **Determination after family assessment or a noncaregiver sex trafficking**
489.6 **assessment.** After conducting a family assessment or a noncaregiver sex trafficking
489.7 assessment, the local welfare agency shall determine whether child protective services are
489.8 needed to address the safety of the child and other family members and the risk of subsequent
489.9 maltreatment. The local welfare agency must document the information collected under
489.10 section 260E.20, subdivision 3, related to the completed family assessment in the child's or
489.11 family's case notes.

489.12 **EFFECTIVE DATE.** This section is effective July 1, 2024.

489.13 Sec. 21. Minnesota Statutes 2022, section 260E.24, subdivision 7, is amended to read:

489.14 Subd. 7. **Notification at conclusion of family assessment or a noncaregiver sex**
489.15 **trafficking assessment.** Within ten working days of the conclusion of a family assessment
489.16 or a noncaregiver sex trafficking assessment, the local welfare agency shall notify the parent
489.17 or guardian of the child of the need for services to address child safety concerns or significant
489.18 risk of subsequent maltreatment. The local welfare agency and the family may also jointly
489.19 agree that family support and family preservation services are needed.

489.20 **EFFECTIVE DATE.** This section is effective July 1, 2024.

489.21 Sec. 22. Minnesota Statutes 2022, section 260E.33, subdivision 1, is amended to read:

489.22 Subdivision 1. **Following a family assessment or a noncaregiver sex trafficking**
489.23 **assessment.** Administrative reconsideration is not applicable to a family assessment or
489.24 noncaregiver sex trafficking assessment since no determination concerning maltreatment
489.25 is made.

489.26 **EFFECTIVE DATE.** This section is effective July 1, 2024.

489.27 Sec. 23. Minnesota Statutes 2022, section 260E.35, subdivision 6, is amended to read:

489.28 Subd. 6. **Data retention.** (a) Notwithstanding sections 138.163 and 138.17, a record
489.29 maintained or a record derived from a report of maltreatment by a local welfare agency,
489.30 agency responsible for assessing or investigating the report, court services agency, or school

490.1 under this chapter shall be destroyed as provided in paragraphs (b) to (e) by the responsible
490.2 authority.

490.3 (b) For a report alleging maltreatment that was not accepted for an assessment or an
490.4 investigation, a family assessment case, a noncaregiver sex trafficking assessment case, and
490.5 a case where an investigation results in no determination of maltreatment or the need for
490.6 child protective services, the record must be maintained for a period of five years after the
490.7 date that the report was not accepted for assessment or investigation or the date of the final
490.8 entry in the case record. A record of a report that was not accepted must contain sufficient
490.9 information to identify the subjects of the report, the nature of the alleged maltreatment,
490.10 and the reasons ~~as to~~ why the report was not accepted. Records under this paragraph may
490.11 not be used for employment, background checks, or purposes other than to assist in future
490.12 screening decisions and risk and safety assessments.

490.13 (c) All records relating to reports that, upon investigation, indicate ~~either~~ maltreatment
490.14 or a need for child protective services shall be maintained for ten years after the date of the
490.15 final entry in the case record.

490.16 (d) All records regarding a report of maltreatment, including a notification of intent to
490.17 interview that was received by a school under section 260E.22, subdivision 7, shall be
490.18 destroyed by the school when ordered to do so by the agency conducting the assessment or
490.19 investigation. The agency shall order the destruction of the notification when other records
490.20 relating to the report under investigation or assessment are destroyed under this subdivision.

490.21 (e) Private or confidential data released to a court services agency under subdivision 3,
490.22 paragraph (d), must be destroyed by the court services agency when ordered to do so by the
490.23 local welfare agency that released the data. The local welfare agency or agency responsible
490.24 for assessing or investigating the report shall order destruction of the data when other records
490.25 relating to the assessment or investigation are destroyed under this subdivision.

490.26 **EFFECTIVE DATE.** This section is effective July 1, 2024.

490.27 Sec. 24. Minnesota Statutes 2022, section 518A.31, is amended to read:

490.28 **518A.31 SOCIAL SECURITY OR VETERANS' BENEFIT PAYMENTS**
490.29 **RECEIVED ON BEHALF OF THE CHILD.**

490.30 (a) The amount of the monthly Social Security benefits or apportioned veterans' benefits
490.31 provided for a joint child shall be included in the gross income of the parent on whose
490.32 eligibility the benefits are based.

491.1 (b) The amount of the monthly survivors' and dependents' educational assistance provided
 491.2 for a joint child shall be included in the gross income of the parent on whose eligibility the
 491.3 benefits are based.

491.4 (c) If Social Security or apportioned veterans' benefits are provided for a joint child
 491.5 based on the eligibility of the obligor, and are received by the obligee as a representative
 491.6 payee for the child or by the child attending school, then the amount of the benefits shall
 491.7 also be subtracted from the obligor's net child support obligation as calculated pursuant to
 491.8 section 518A.34.

491.9 (d) If the survivors' and dependents' educational assistance is provided for a joint child
 491.10 based on the eligibility of the obligor, and is received by the obligee as a representative
 491.11 payee for the child or by the child attending school, then the amount of the assistance shall
 491.12 also be subtracted from the obligor's net child support obligation as calculated under section
 491.13 518A.34.

491.14 (e) Upon a motion to modify child support, any regular or lump sum payment of Social
 491.15 Security or apportioned veterans' benefit received by the obligee for the benefit of the joint
 491.16 child based upon the obligor's disability prior to filing the motion to modify may be used
 491.17 to satisfy arrears that remain due for the period of time for which the benefit was received.
 491.18 This paragraph applies only if the derivative benefit was not considered in the guidelines
 491.19 calculation of the previous child support order.

491.20 **EFFECTIVE DATE.** This section is effective January 1, 2025.

491.21 Sec. 25. Minnesota Statutes 2022, section 518A.32, subdivision 3, is amended to read:

491.22 Subd. 3. **Parent not considered voluntarily unemployed, underemployed, or employed**
 491.23 **on a less than full-time basis.** A parent is not considered voluntarily unemployed,
 491.24 underemployed, or employed on a less than full-time basis upon a showing by the parent
 491.25 that:

491.26 (1) the unemployment, underemployment, or employment on a less than full-time basis
 491.27 is temporary and will ultimately lead to an increase in income;

491.28 (2) the unemployment, underemployment, or employment on a less than full-time basis
 491.29 represents a bona fide career change that outweighs the adverse effect of that parent's
 491.30 diminished income on the child; ~~or~~

491.31 (3) the unemployment, underemployment, or employment on a less than full-time basis
 491.32 is because a parent is physically or mentally incapacitated or due to incarceration; or

492.1 (4) a governmental agency authorized to determine eligibility for general assistance or
492.2 supplemental Social Security income has determined that the individual is eligible to receive
492.3 general assistance or supplemental Social Security income. Actual income earned by the
492.4 parent may be considered for the purpose of calculating child support.

492.5 **EFFECTIVE DATE.** This section is effective January 1, 2025.

492.6 Sec. 26. Minnesota Statutes 2022, section 518A.32, subdivision 4, is amended to read:

492.7 Subd. 4. **TANF or MFIP recipient.** If the parent of a joint child is a recipient of a
492.8 temporary assistance to a needy family (TANF) cash grant; or comparable state-funded
492.9 Minnesota family investment program (MFIP) benefits, no potential income is to be imputed
492.10 to that parent.

492.11 **EFFECTIVE DATE.** This section is effective January 1, 2025.

492.12 Sec. 27. Minnesota Statutes 2022, section 518A.34, is amended to read:

492.13 **518A.34 COMPUTATION OF CHILD SUPPORT OBLIGATIONS.**

492.14 (a) To determine the presumptive child support obligation of a parent, the court shall
492.15 follow the procedure set forth in this section.

492.16 (b) To determine the obligor's basic support obligation, the court shall:

492.17 (1) determine the gross income of each parent under section 518A.29;

492.18 (2) calculate the parental income for determining child support (PICS) of each parent,
492.19 by subtracting from the gross income the credit, if any, for each parent's nonjoint children
492.20 under section 518A.33;

492.21 (3) determine the percentage contribution of each parent to the combined PICS by
492.22 dividing the combined PICS into each parent's PICS;

492.23 (4) determine the combined basic support obligation by application of the guidelines in
492.24 section 518A.35;

492.25 (5) determine each parent's share of the combined basic support obligation by multiplying
492.26 the percentage figure from clause (3) by the combined basic support obligation in clause
492.27 (4); and

492.28 (6) apply the parenting expense adjustment formula provided in section 518A.36 to
492.29 determine the obligor's basic support obligation.

493.1 (c) If the parents have split custody of joint children, child support must be calculated
493.2 for each joint child as follows:

493.3 (1) the court shall determine each parent's basic support obligation under paragraph (b)
493.4 and include the amount of each parent's obligation in the court order. If the basic support
493.5 calculation results in each parent owing support to the other, the court shall offset the higher
493.6 basic support obligation with the lower basic support obligation to determine the amount
493.7 to be paid by the parent with the higher obligation to the parent with the lower obligation.
493.8 For the purpose of the cost-of-living adjustment required under section 518A.75, the
493.9 adjustment must be based on each parent's basic support obligation prior to offset. For the
493.10 purposes of this paragraph, "split custody" means that there are two or more joint children
493.11 and each parent has at least one joint child more than 50 percent of the time;

493.12 (2) if each parent pays all child care expenses for at least one joint child, the court shall
493.13 calculate child care support for each joint child as provided in section 518A.40. The court
493.14 shall determine each parent's child care support obligation and include the amount of each
493.15 parent's obligation in the court order. If the child care support calculation results in each
493.16 parent owing support to the other, the court shall offset the higher child care support
493.17 obligation with the lower child care support obligation to determine the amount to be paid
493.18 by the parent with the higher obligation to the parent with the lower obligation; and

493.19 (3) if each parent pays all medical or dental insurance expenses for at least one joint
493.20 child, medical support shall be calculated for each joint child as provided in section 518A.41.
493.21 The court shall determine each parent's medical support obligation and include the amount
493.22 of each parent's obligation in the court order. If the medical support calculation results in
493.23 each parent owing support to the other, the court shall offset the higher medical support
493.24 obligation with the lower medical support obligation to determine the amount to be paid by
493.25 the parent with the higher obligation to the parent with the lower obligation. Unreimbursed
493.26 and uninsured medical expenses are not included in the presumptive amount of support
493.27 owed by a parent and are calculated and collected as provided in section 518A.41.

493.28 (d) The court shall determine the child care support obligation for the obligor as provided
493.29 in section 518A.40.

493.30 (e) The court shall determine the medical support obligation for each parent as provided
493.31 in section 518A.41. Unreimbursed and uninsured medical expenses are not included in the
493.32 presumptive amount of support owed by a parent and are calculated and collected as described
493.33 in section 518A.41.

494.1 (f) The court shall determine each parent's total child support obligation by adding
 494.2 together each parent's basic support, child care support, and health care coverage obligations
 494.3 as provided in this section.

494.4 (g) If Social Security benefits or veterans' benefits are received by one parent as a
 494.5 representative payee for a joint child based on the other parent's eligibility, the court shall
 494.6 subtract the amount of benefits from the other parent's net child support obligation, if any.
 494.7 Any benefit received by the obligee for the benefit of the joint child based upon the obligor's
 494.8 disability or past earnings in any given month in excess of the child support obligation must
 494.9 not be treated as an arrearage payment or a future payment.

494.10 (h) The final child support order shall separately designate the amount owed for basic
 494.11 support, child care support, and medical support. If applicable, the court shall use the
 494.12 self-support adjustment and minimum support adjustment under section 518A.42 to determine
 494.13 the obligor's child support obligation.

494.14 **EFFECTIVE DATE.** This section is effective January 1, 2025.

494.15 Sec. 28. Minnesota Statutes 2022, section 518A.41, is amended to read:

494.16 **518A.41 MEDICAL SUPPORT.**

494.17 Subdivision 1. **Definitions.** The definitions in this subdivision apply to this chapter and
 494.18 chapter 518.

494.19 (a) "Health care coverage" means ~~medical, dental, or other health care benefits that are~~
 494.20 ~~provided by one or more health plans. Health care coverage does not include any form of~~
 494.21 ~~public coverage~~ private health care coverage, including fee for service, health maintenance
 494.22 organization, preferred provider organization, and other types of private health care coverage.
 494.23 Health care coverage also means public health care coverage under which medical or dental
 494.24 services could be provided to a dependent child.

494.25 (b) ~~"Health carrier" means a carrier as defined in sections 62A.011, subdivision 2, and~~
 494.26 ~~62L.02, subdivision 16.~~

494.27 (e) ~~"Health plan"~~ (b) "Private health care coverage" means a health plan, other than any
 494.28 ~~form of public coverage,~~ that provides medical, dental, or other health care benefits and is:

494.29 (1) provided on an individual or group basis;

494.30 (2) provided by an employer or union;

494.31 (3) purchased in the private market; ~~or~~

495.1 (4) provided through MinnesotaCare under chapter 256L; or

495.2 ~~(4)~~ (5) available to a person eligible to carry insurance for the joint child, including a
495.3 party's spouse or parent.

495.4 ~~Health plan~~ Private health care coverage includes, but is not limited to, a health plan meeting
495.5 the definition under section 62A.011, subdivision 3, except that the exclusion of coverage
495.6 designed solely to provide dental or vision care under section 62A.011, subdivision 3, clause
495.7 (6), does not apply to the definition of ~~health plan~~ private health care coverage under this
495.8 section; a group health plan governed under the federal Employee Retirement Income
495.9 Security Act of 1974 (ERISA); a self-insured plan under sections 43A.23 to 43A.317 and
495.10 471.617; and a policy, contract, or certificate issued by a community-integrated service
495.11 network licensed under chapter 62N.

495.12 (c) "Public health care coverage" means health care benefits provided by any form of
495.13 medical assistance under chapter 256B. Public health care coverage does not include
495.14 MinnesotaCare or health plans subsidized by federal premium tax credits or federal
495.15 cost-sharing reductions.

495.16 (d) "Medical support" means providing health care coverage for a joint child ~~by carrying~~
495.17 ~~health care coverage for the joint child or~~ by contributing to the cost of health care coverage,
495.18 ~~public coverage,~~ unreimbursed ~~medical~~ health-related expenses, and uninsured ~~medical~~
495.19 health-related expenses of the joint child.

495.20 (e) "National medical support notice" means an administrative notice issued by the public
495.21 authority to enforce health insurance provisions of a support order in accordance with Code
495.22 of Federal Regulations, title 45, section 303.32, in cases where the public authority provides
495.23 support enforcement services.

495.24 ~~(f) "Public coverage" means health care benefits provided by any form of medical~~
495.25 ~~assistance under chapter 256B. Public coverage does not include MinnesotaCare or health~~
495.26 ~~plans subsidized by federal premium tax credits or federal cost-sharing reductions.~~

495.27 ~~(g)~~ (f) "Uninsured ~~medical~~ health-related expenses" means a joint child's reasonable and
495.28 necessary ~~health-related~~ medical and dental expenses if the joint child is not covered by a
495.29 ~~health plan or public coverage~~ private health insurance care when the expenses are incurred.

495.30 ~~(h)~~ (g) "Unreimbursed ~~medical~~ health-related expenses" means a joint child's reasonable
495.31 and necessary ~~health-related~~ medical and dental expenses if a joint child is covered by a
495.32 ~~health plan or public coverage~~ health care coverage and ~~the plan or~~ health care coverage
495.33 does not pay for the total cost of the expenses when the expenses are incurred. Unreimbursed

496.1 ~~medical~~ health-related expenses do not include the cost of premiums. Unreimbursed ~~medical~~
 496.2 health-related expenses include, but are not limited to, deductibles, co-payments, and
 496.3 expenses for orthodontia, and prescription eyeglasses and contact lenses, but not
 496.4 over-the-counter medications if ~~coverage is under a health plan~~ provided through health
 496.5 care coverage.

496.6 Subd. 2. **Order.** (a) A completed national medical support notice issued by the public
 496.7 authority or a court order that complies with this section is a qualified medical child support
 496.8 order under the federal Employee Retirement Income Security Act of 1974 (ERISA), United
 496.9 States Code, title 29, section 1169(a).

496.10 (b) Every order addressing child support must state:

496.11 (1) the names, last known addresses, and Social Security numbers of the parents and the
 496.12 joint child that is a subject of the order unless the court prohibits the inclusion of an address
 496.13 or Social Security number and orders the parents to provide the address and Social Security
 496.14 number to the administrator of the health plan;

496.15 (2) ~~if a joint child is not presently enrolled in health care coverage~~, whether appropriate
 496.16 health care coverage for the joint child is available and, if so, state:

496.17 (i) the parents' responsibilities for carrying health care coverage;

496.18 (ii) the cost of premiums and how the cost is allocated between the parents; ~~and~~

496.19 (iii) the circumstances, if any, under which an obligation to provide private health care
 496.20 coverage for the joint child will shift from one parent to the other; and

496.21 ~~(3) if appropriate health care coverage is not available for the joint child, (iv) whether~~
 496.22 a contribution for ~~medical support~~ public health care coverage is required; and

496.23 ~~(4)~~ (3) how unreimbursed or uninsured ~~medical~~ health-related expenses will be allocated
 496.24 between the parents.

496.25 Subd. 3. **Determining appropriate health care coverage.** Public health care coverage
 496.26 is presumed appropriate. In determining whether a parent has appropriate private health
 496.27 care coverage for the joint child, the court must consider the following factors:

496.28 (1) comprehensiveness of private health care coverage providing medical benefits.

496.29 Dependent private health care coverage providing medical benefits is presumed
 496.30 comprehensive if it includes medical and hospital coverage and provides for preventive,
 496.31 emergency, acute, and chronic care; or if it meets the minimum essential coverage definition
 496.32 in United States Code, title 26, section 5000A(f). If both parents have private health care

497.1 coverage providing medical benefits that is presumed comprehensive under this paragraph,
497.2 the court must determine which parent's private health care coverage is more comprehensive
497.3 by considering what other benefits are included in the private health care coverage;

497.4 (2) accessibility. Dependent private health care coverage is accessible if the covered
497.5 joint child can obtain services from a health plan provider with reasonable effort by the
497.6 parent with whom the joint child resides. Private health care coverage is presumed accessible
497.7 if:

497.8 (i) primary care is available within 30 minutes or 30 miles of the joint child's residence
497.9 and specialty care is available within 60 minutes or 60 miles of the joint child's residence;

497.10 (ii) the private health care coverage is available through an employer and the employee
497.11 can be expected to remain employed for a reasonable amount of time; and

497.12 (iii) no preexisting conditions exist to unduly delay enrollment in private health care
497.13 coverage;

497.14 (3) the joint child's special medical needs, if any; and

497.15 (4) affordability. Dependent private health care coverage is presumed affordable if it is
497.16 ~~reasonable in cost. If both parents have health care coverage available for a joint child that~~
497.17 ~~is comparable with regard to comprehensiveness of medical benefits, accessibility, and the~~
497.18 ~~joint child's special needs, the least costly health care coverage is presumed to be the most~~
497.19 ~~appropriate health care coverage for the joint child~~ the premium to cover the marginal cost
497.20 of the joint child does not exceed five percent of the parents' combined monthly PICS. A
497.21 court may additionally consider high deductibles and the cost to enroll the parent if the
497.22 parent must enroll themselves in private health care coverage to access private health care
497.23 coverage for the child.

497.24 Subd. 4. **Ordering health care coverage.** ~~(a) If a joint child is presently enrolled in~~
497.25 ~~health care coverage, the court must order that the parent who currently has the joint child~~
497.26 ~~enrolled continue that enrollment unless the parties agree otherwise or a party requests a~~
497.27 ~~change in coverage and the court determines that other health care coverage is more~~
497.28 ~~appropriate.~~

497.29 ~~(b) If a joint child is not presently enrolled in health care coverage providing medical~~
497.30 ~~benefits, upon motion of a parent or the public authority, the court must determine whether~~
497.31 ~~one or both parents have appropriate health care coverage providing medical benefits for~~
497.32 ~~the joint child.~~

498.1 (a) If a joint child is presently enrolled in health care coverage, the court shall order that
 498.2 the parent who currently has the joint child enrolled in health care coverage continue that
 498.3 enrollment if the health care coverage is appropriate as defined under subdivision 3.

498.4 ~~(e)~~ (b) If only one parent has appropriate health care coverage providing medical benefits
 498.5 available, the court must order that parent to carry the coverage for the joint child.

498.6 ~~(d)~~ (c) If both parents have appropriate health care coverage providing medical benefits
 498.7 available, the court must order the parent with whom the joint child resides to carry the
 498.8 health care coverage for the joint child, unless:

498.9 (1) a party expresses a preference for private health care coverage providing medical
 498.10 benefits available through the parent with whom the joint child does not reside;

498.11 (2) the parent with whom the joint child does not reside is already carrying dependent
 498.12 private health care coverage providing medical benefits for other children and the cost of
 498.13 contributing to the premiums of the other parent's health care coverage would cause the
 498.14 parent with whom the joint child does not reside extreme hardship; or

498.15 (3) the parties agree as to which parent will carry health care coverage providing medical
 498.16 benefits and agree on the allocation of costs.

498.17 ~~(e)~~ (d) If the exception in paragraph ~~(d)~~ (c), clause (1) or (2), applies, the court must
 498.18 determine which parent has the most appropriate health care coverage providing medical
 498.19 benefits available and order that parent to carry health care coverage for the joint child.

498.20 ~~(f)~~ (e) If neither parent has appropriate health care coverage available, the court must
 498.21 order the parents to:

498.22 ~~(1)~~ contribute toward the actual health care costs of the joint children based on a pro
 498.23 rata share; ~~or,~~

498.24 ~~(2) if the joint child is receiving any form of public coverage, the parent with whom the~~
 498.25 ~~joint child does not reside shall contribute a monthly amount toward the actual cost of public~~
 498.26 ~~coverage. The amount of the noncustodial parent's contribution is determined by applying~~
 498.27 ~~the noncustodial parent's PICS to the premium scale for MinnesotaCare under section~~
 498.28 ~~256L.15, subdivision 2, paragraph (d). If the noncustodial parent's PICS meets the eligibility~~
 498.29 ~~requirements for MinnesotaCare, the contribution is the amount the noncustodial parent~~
 498.30 ~~would pay for the child's premium. If the noncustodial parent's PICS exceeds the eligibility~~
 498.31 ~~requirements, the contribution is the amount of the premium for the highest eligible income~~
 498.32 ~~on the premium scale for MinnesotaCare under section 256L.15, subdivision 2, paragraph~~
 498.33 ~~(d). For purposes of determining the premium amount, the noncustodial parent's household~~

499.1 size is equal to one parent plus the child or children who are the subject of the child support
 499.2 order. The custodial parent's obligation is determined under the requirements for public
 499.3 coverage as set forth in chapter 256B; or

499.4 ~~(3) if the noncustodial parent's PICS meet the eligibility requirement for public coverage~~
 499.5 ~~under chapter 256B or the noncustodial parent receives public assistance, the noncustodial~~
 499.6 ~~parent must not be ordered to contribute toward the cost of public coverage.~~

499.7 ~~(g)~~ (f) If neither parent has appropriate health care coverage available, the court may
 499.8 order the parent with whom the child resides to apply for public health care coverage for
 499.9 the child.

499.10 ~~(h) The commissioner of human services must publish a table with the premium schedule~~
 499.11 ~~for public coverage and update the chart for changes to the schedule by July 1 of each year.~~

499.12 ~~(i)~~ (g) If a joint child is not presently enrolled in private health care coverage providing
 499.13 dental benefits, upon motion of a parent or the public authority, the court must determine
 499.14 whether one or both parents have appropriate ~~dental~~ private health care coverage providing
 499.15 dental benefits for the joint child, and the court may order a parent with appropriate ~~dental~~
 499.16 private health care coverage providing dental benefits available to carry the health care
 499.17 coverage for the joint child.

499.18 ~~(j)~~ (h) If a joint child is not presently enrolled in available private health care coverage
 499.19 providing benefits other than medical benefits or dental benefits, upon motion of a parent
 499.20 or the public authority, the court may determine whether ~~that other~~ private health care
 499.21 coverage providing other health benefits for the joint child is appropriate, and the court may
 499.22 order a parent with that appropriate private health care coverage available to carry the
 499.23 coverage for the joint child.

499.24 Subd. 5. **Medical support costs; unreimbursed and uninsured ~~medical~~ health-related**
 499.25 **expenses.** (a) Unless otherwise agreed to by the parties and approved by the court, the court
 499.26 must order that the cost of private health care coverage and all unreimbursed and uninsured
 499.27 ~~medical~~ health-related expenses ~~under the health plan~~ be divided between the obligor and
 499.28 obligee based on their proportionate share of the parties' combined monthly PICS. The
 499.29 amount allocated for medical support is considered child support but is not subject to a
 499.30 cost-of-living adjustment under section 518A.75.

499.31 (b) If a party owes a ~~joint child~~ basic support obligation for a joint child and is ordered
 499.32 to carry private health care coverage for the joint child, and the other party is ordered to
 499.33 contribute to the carrying party's cost for coverage, the carrying party's ~~child~~ basic support
 499.34 payment must be reduced by the amount of the contributing party's contribution.

500.1 (c) If a party owes a ~~joint-child~~ basic support obligation for a joint child and is ordered
500.2 to contribute to the other party's cost for carrying private health care coverage for the joint
500.3 child, the contributing party's child support payment must be increased by the amount of
500.4 the contribution. The contribution toward private health care coverage must not be charged
500.5 in any month in which the party ordered to carry private health care coverage fails to maintain
500.6 private coverage.

500.7 (d) If the party ordered to carry private health care coverage for the joint child already
500.8 carries dependent private health care coverage for other dependents and would incur no
500.9 additional premium costs to add the joint child to the existing health care coverage, the court
500.10 must not order the other party to contribute to the premium costs for health care coverage
500.11 of the joint child.

500.12 (e) If a party ordered to carry private health care coverage for the joint child does not
500.13 already carry dependent private health care coverage but has other dependents who may be
500.14 added to the ordered health care coverage, the full premium costs of the dependent private
500.15 health care coverage must be allocated between the parties in proportion to the party's share
500.16 of the parties' combined monthly PICS, unless the parties agree otherwise.

500.17 (f) If a party ordered to carry private health care coverage for the joint child is required
500.18 to enroll in a health plan so that the joint child can be enrolled in dependent private health
500.19 care coverage under the plan, the court must allocate the costs of the dependent private
500.20 health care coverage between the parties. The costs of the private health care coverage for
500.21 the party ordered to carry the health care coverage for the joint child must not be allocated
500.22 between the parties.

500.23 (g) If the joint child is receiving any form of public health care coverage:

500.24 (1) the parent with whom the joint child does not reside shall contribute a monthly
500.25 amount toward the actual cost of public health care coverage. The amount of the noncustodial
500.26 parent's contribution is determined by applying the noncustodial parent's PICS to the premium
500.27 scale for MinnesotaCare under section 256L.15, subdivision 2, paragraph (d). If the
500.28 noncustodial parent's PICS meets the eligibility requirements for MinnesotaCare, the
500.29 contribution is the amount that the noncustodial parent would pay for the child's premium;

500.30 (2) if the noncustodial parent's PICS exceeds the eligibility requirements, the contribution
500.31 is the amount of the premium for the highest eligible income on the premium scale for
500.32 MinnesotaCare under section 256L.15, subdivision 2, paragraph (d). For purposes of
500.33 determining the premium amount, the noncustodial parent's household size is equal to one
500.34 parent plus the child or children who are the subject of the order;

501.1 (3) the custodial parent's obligation is determined under the requirements for public
501.2 health care coverage in chapter 256B; or

501.3 (4) if the noncustodial parent's PICS is less than 200 percent of the federal poverty
501.4 guidelines for one person or the noncustodial parent receives public assistance, the
501.5 noncustodial parent must not be ordered to contribute toward the cost of public health care
501.6 coverage.

501.7 (h) The commissioner of human services must publish a table for section 256L.15,
501.8 subdivision 2, paragraph (d), and update the table with changes to the schedule by July 1
501.9 of each year.

501.10 **Subd. 6. Notice or court order sent to party's employer, union, or health carrier. (a)**
501.11 The public authority must forward a copy of the national medical support notice or court
501.12 order for private health care coverage to the party's employer within two business days after
501.13 the date the party is entered into the work reporting system under section 256.998.

501.14 (b) The public authority or a party seeking to enforce an order for private health care
501.15 coverage must forward a copy of the national medical support notice or court order to the
501.16 obligor's employer or union, or to the health carrier under the following circumstances:

501.17 (1) the party ordered to carry private health care coverage for the joint child fails to
501.18 provide written proof to the other party or the public authority, within 30 days of the effective
501.19 date of the court order, that the party has applied for private health care coverage for the
501.20 joint child;

501.21 (2) the party seeking to enforce the order or the public authority gives written notice to
501.22 the party ordered to carry private health care coverage for the joint child of its intent to
501.23 enforce medical support. The party seeking to enforce the order or public authority must
501.24 mail the written notice to the last known address of the party ordered to carry private health
501.25 care coverage for the joint child; and

501.26 (3) the party ordered to carry private health care coverage for the joint child fails, within
501.27 15 days after the date on which the written notice under clause (2) was mailed, to provide
501.28 written proof to the other party or the public authority that the party has applied for private
501.29 health care coverage for the joint child.

501.30 (c) The public authority is not required to forward a copy of the national medical support
501.31 notice or court order to the obligor's employer or union, or to the health carrier, if the court
501.32 orders private health care coverage for the joint child that is not employer-based or
501.33 union-based coverage.

502.1 Subd. 7. **Employer or union requirements.** (a) An employer or union must forward
502.2 the national medical support notice or court order to its health plan within 20 business days
502.3 after the date on the national medical support notice or after receipt of the court order.

502.4 (b) Upon determination by an employer's or union's health plan administrator that a joint
502.5 child is eligible to be covered under the health plan, the employer or union and health plan
502.6 must enroll the joint child as a beneficiary in the health plan, and the employer must withhold
502.7 any required premiums from the income or wages of the party ordered to carry health care
502.8 coverage for the joint child.

502.9 (c) If enrollment of the party ordered to carry private health care coverage for a joint
502.10 child is necessary to obtain dependent private health care coverage under the plan, and the
502.11 party is not enrolled in the health plan, the employer or union must enroll the party in the
502.12 plan.

502.13 (d) Enrollment of dependents and, if necessary, the party ordered to carry private health
502.14 care coverage for the joint child must be immediate and not dependent upon open enrollment
502.15 periods. Enrollment is not subject to the underwriting policies under section 62A.048.

502.16 (e) Failure of the party ordered to carry private health care coverage for the joint child
502.17 to execute any documents necessary to enroll the dependent in the health plan does not
502.18 affect the obligation of the employer or union and health plan to enroll the dependent in a
502.19 plan. Information and authorization provided by the public authority, or by a party or
502.20 guardian, is valid for the purposes of meeting enrollment requirements of the health plan.

502.21 (f) An employer or union that is included under the federal Employee Retirement Income
502.22 Security Act of 1974 (ERISA), United States Code, title 29, section 1169(a), may not deny
502.23 enrollment to the joint child or to the parent if necessary to enroll the joint child based on
502.24 exclusionary clauses described in section 62A.048.

502.25 (g) A new employer or union of a party who is ordered to provide private health care
502.26 coverage for a joint child must enroll the joint child in the party's health plan as required
502.27 by a national medical support notice or court order.

502.28 Subd. 8. **Health plan requirements.** (a) If a health plan administrator receives a
502.29 completed national medical support notice or court order, the plan administrator must notify
502.30 the parties, and the public authority if the public authority provides support enforcement
502.31 services, within 40 business days after the date of the notice or after receipt of the court
502.32 order, of the following:

503.1 (1) whether health care coverage is available to the joint child under the terms of the
503.2 health plan and, if not, the reason why health care coverage is not available;

503.3 (2) whether the joint child is covered under the health plan;

503.4 (3) the effective date of the joint child's coverage under the health plan; and

503.5 (4) what steps, if any, are required to effectuate the joint child's coverage under the health
503.6 plan.

503.7 (b) If the employer or union offers more than one plan and the national medical support
503.8 notice or court order does not specify the plan to be carried, the plan administrator must
503.9 notify the parents and the public authority if the public authority provides support
503.10 enforcement services. When there is more than one option available under the plan, the
503.11 public authority, in consultation with the parent with whom the joint child resides, must
503.12 promptly select from available plan options.

503.13 (c) The plan administrator must provide the parents and public authority, if the public
503.14 authority provides support enforcement services, with a notice of the joint child's enrollment,
503.15 description of the health care coverage, and any documents necessary to effectuate coverage.

503.16 (d) The health plan must send copies of all correspondence regarding the private health
503.17 care coverage to the parents.

503.18 (e) An insured joint child's parent's signature is a valid authorization to a health plan for
503.19 purposes of processing an insurance reimbursement payment to the medical services provider
503.20 or to the parent, if medical services have been prepaid by that parent.

503.21 **Subd. 9. Employer or union liability.** (a) An employer or union that willfully fails to
503.22 comply with the order or notice is liable for any uninsured ~~medical~~ health-related expenses
503.23 incurred by the dependents while the dependents were eligible to be enrolled in the health
503.24 plan and for any other premium costs incurred because the employer or union willfully
503.25 failed to comply with the order or notice.

503.26 (b) An employer or union that fails to comply with the order or notice is subject to a
503.27 contempt finding, a \$250 civil penalty under section 518A.73, and is subject to a civil penalty
503.28 of \$500 to be paid to the party entitled to reimbursement or the public authority. Penalties
503.29 paid to the public authority are designated for child support enforcement services.

503.30 **Subd. 10. Contesting enrollment.** (a) A party may contest a joint child's enrollment in
503.31 a health plan on the limited grounds that the enrollment is improper due to mistake of fact
503.32 or that the enrollment meets the requirements of section 518.145.

504.1 (b) If the party chooses to contest the enrollment, the party must do so no later than 15
504.2 days after the employer notifies the party of the enrollment by doing the following:

504.3 (1) filing a motion in district court or according to section 484.702 and the expedited
504.4 child support process rules if the public authority provides support enforcement services;

504.5 (2) serving the motion on the other party and public authority if the public authority
504.6 provides support enforcement services; and

504.7 (3) securing a date for the matter to be heard no later than 45 days after the notice of
504.8 enrollment.

504.9 (c) The enrollment must remain in place while the party contests the enrollment.

504.10 Subd. 11. **Disenrollment; continuation of coverage; coverage options.** (a) Unless a
504.11 court order provides otherwise, a child for whom a party is required to provide private health
504.12 care coverage under this section must be covered as a dependent of the party until the child
504.13 is emancipated, until further order of the court, or as consistent with the terms of the health
504.14 care coverage.

504.15 (b) The health carrier, employer, or union may not disenroll or eliminate health care
504.16 coverage for the child unless:

504.17 (1) the health carrier, employer, or union is provided satisfactory written evidence that
504.18 the court order is no longer in effect;

504.19 (2) the joint child is or will be enrolled in comparable private health care coverage
504.20 through another health plan that will take effect no later than the effective date of the
504.21 disenrollment;

504.22 (3) the employee is no longer eligible for dependent health care coverage; or

504.23 (4) the required premium has not been paid by or on behalf of the joint child.

504.24 (c) The health plan must provide 30 days' written notice to the joint child's parents, and
504.25 the public authority if the public authority provides support enforcement services, before
504.26 the health plan disenrolls or eliminates the joint child's health care coverage.

504.27 (d) A joint child enrolled in private health care coverage under a qualified medical child
504.28 support order, including a national medical support notice, under this section is a dependent
504.29 and a qualified beneficiary under the Consolidated Omnibus Budget and Reconciliation Act
504.30 of 1985 (COBRA), Public Law 99-272. Upon expiration of the order, the joint child is
504.31 entitled to the opportunity to elect continued health care coverage that is available under

505.1 the health plan. The employer or union must provide notice to the parties and the public
505.2 authority, if it provides support services, within ten days of the termination date.

505.3 (e) If the public authority provides support enforcement services and a plan administrator
505.4 reports to the public authority that there is more than one coverage option available under
505.5 the health plan, the public authority, in consultation with the parent with whom the joint
505.6 child resides, must promptly select health care coverage from the available options.

505.7 Subd. 12. **Spousal or former spousal coverage.** The court must require the parent with
505.8 whom the joint child does not reside to provide dependent private health care coverage for
505.9 the benefit of the parent with whom the joint child resides if the parent with whom the child
505.10 does not reside is ordered to provide dependent private health care coverage for the parties'
505.11 joint child and adding the other parent to the health care coverage results in no additional
505.12 premium cost.

505.13 Subd. 13. **Disclosure of information.** (a) If the public authority provides support
505.14 enforcement services, the parties must provide the public authority with the following
505.15 information:

505.16 (1) information relating to dependent health care coverage ~~or public coverage~~ available
505.17 for the benefit of the joint child for whom support is sought, including all information
505.18 required to be included in a medical support order under this section;

505.19 (2) verification that application for court-ordered health care coverage was made within
505.20 30 days of the court's order; and

505.21 (3) the reason that a joint child is not enrolled in court-ordered health care coverage, if
505.22 a joint child is not enrolled in health care coverage or subsequently loses health care coverage.

505.23 (b) Upon request from the public authority under section 256.978, an employer, union,
505.24 or plan administrator, including an employer subject to the federal Employee Retirement
505.25 Income Security Act of 1974 (ERISA), United States Code, title 29, section 1169(a), must
505.26 provide the public authority the following information:

505.27 (1) information relating to dependent private health care coverage available to a party
505.28 for the benefit of the joint child for whom support is sought, including all information
505.29 required to be included in a medical support order under this section; and

505.30 (2) information that will enable the public authority to determine whether a health plan
505.31 is appropriate for a joint child, including, but not limited to, all available plan options, any
505.32 geographic service restrictions, and the location of service providers.

506.1 (c) The employer, union, or plan administrator must not release information regarding
506.2 one party to the other party. The employer, union, or plan administrator must provide both
506.3 parties with insurance identification cards and all necessary written information to enable
506.4 the parties to utilize the insurance benefits for the covered dependent.

506.5 (d) The public authority is authorized to release to a party's employer, union, or health
506.6 plan information necessary to verify availability of dependent private health care coverage,
506.7 or to establish, modify, or enforce medical support.

506.8 (e) An employee must disclose to an employer if medical support is required to be
506.9 withheld under this section and the employer must begin withholding according to the terms
506.10 of the order and under section 518A.53. If an employee discloses an obligation to obtain
506.11 private health care coverage and health care coverage is available through the employer,
506.12 the employer must make all application processes known to the individual and enroll the
506.13 employee and dependent in the plan.

506.14 Subd. 14. **Child support enforcement services.** The public authority must take necessary
506.15 steps to establish, enforce, and modify an order for medical support if the joint child receives
506.16 public assistance or a party completes an application for services from the public authority
506.17 under section 518A.51.

506.18 Subd. 15. **Enforcement.** (a) Remedies available for collecting and enforcing child
506.19 support apply to medical support.

506.20 (b) For the purpose of enforcement, the following are additional support:

506.21 (1) the costs of individual or group health or hospitalization coverage;

506.22 (2) dental coverage;

506.23 (3) medical costs ordered by the court to be paid by either party, including health care
506.24 coverage premiums paid by the obligee because of the obligor's failure to obtain health care
506.25 coverage as ordered; and

506.26 (4) liabilities established under this subdivision.

506.27 (c) A party who fails to carry court-ordered dependent private health care coverage is
506.28 liable for the joint child's uninsured ~~medical~~ health-related expenses unless a court order
506.29 provides otherwise. A party's failure to carry court-ordered health care coverage, or to
506.30 provide other medical support as ordered, is a basis for modification of medical support
506.31 under section 518A.39, subdivision 8, unless it meets the presumption in section 518A.39,
506.32 subdivision 2.

507.1 (d) Payments by the health carrier or employer for services rendered to the dependents
507.2 that are directed to a party not owed reimbursement must be endorsed over to and forwarded
507.3 to the vendor or appropriate party or the public authority. A party retaining insurance
507.4 reimbursement not owed to the party is liable for the amount of the reimbursement.

507.5 Subd. 16. **Offset.** (a) If a party is the parent with primary physical custody as defined
507.6 in section 518A.26, subdivision 17, and is an obligor ordered to contribute to the other
507.7 party's cost for carrying health care coverage for the joint child, the other party's child
507.8 support and spousal maintenance obligations are subject to an offset under subdivision 5.

507.9 (b) The public authority, if the public authority provides child support enforcement
507.10 services, may remove the offset to a party's child support obligation when:

507.11 (1) the party's court-ordered private health care coverage for the joint child terminates;

507.12 (2) the party does not enroll the joint child in other private health care coverage; and

507.13 (3) a modification motion is not pending.

507.14 The public authority must provide notice to the parties of the action. If neither party requests
507.15 a hearing, the public authority must remove the offset effective the first day of the month
507.16 following termination of the joint child's private health care coverage.

507.17 (c) The public authority, if the public authority provides child support enforcement
507.18 services, may resume the offset when the party ordered to provide private health care
507.19 coverage for the joint child has resumed the court-ordered private health care coverage or
507.20 enrolled the joint child in other private health care coverage. The public authority must
507.21 provide notice to the parties of the action. If neither party requests a hearing, the public
507.22 authority must resume the offset effective the first day of the month following certification
507.23 that private health care coverage is in place for the joint child.

507.24 (d) A party may contest the public authority's action to remove or resume the offset to
507.25 the child support obligation if the party makes a written request for a hearing within 30 days
507.26 after receiving written notice. If a party makes a timely request for a hearing, the public
507.27 authority must schedule a hearing and send written notice of the hearing to the parties by
507.28 mail to the parties' last known addresses at least 14 days before the hearing. The hearing
507.29 must be conducted in district court or in the expedited child support process if section
507.30 484.702 applies. The district court or child support magistrate must determine whether
507.31 removing or resuming the offset is appropriate and, if appropriate, the effective date for the
507.32 removal or resumption.

508.1 Subd. 16a. **Suspension or reinstatement of medical support contribution.** (a) If a
508.2 party is the parent with primary physical custody, as defined in section 518A.26, subdivision
508.3 17, and is ordered to carry private health care coverage for the joint child but fails to carry
508.4 the court-ordered private health care coverage, the public authority may suspend the medical
508.5 support obligation of the other party if that party has been court-ordered to contribute to the
508.6 cost of the private health care coverage carried by the parent with primary physical custody
508.7 of the joint child.

508.8 (b) If the public authority provides child support enforcement services, the public
508.9 authority may suspend the other party's medical support contribution toward private health
508.10 care coverage when:

508.11 (1) the party's court-ordered private health care coverage for the joint child terminates;

508.12 (2) the party does not enroll the joint child in other private health care coverage; and

508.13 (3) a modification motion is not pending.

508.14 The public authority must provide notice to the parties of the action. If neither party requests
508.15 a hearing, the public authority must remove the medical support contribution effective the
508.16 first day of the month following the termination of the joint child's private health care
508.17 coverage.

508.18 (c) If the public authority provides child support enforcement services, the public authority
508.19 may reinstate the medical support contribution when the party ordered to provide private
508.20 health care coverage for the joint child has resumed the joint child's court-ordered private
508.21 health care coverage or has enrolled the joint child in other private health care coverage.

508.22 The public authority must provide notice to the parties of the action. If neither party requests
508.23 a hearing, the public authority must resume the medical support contribution effective the
508.24 first day of the month following certification that the joint child is enrolled in private health
508.25 care coverage.

508.26 (d) A party may contest the public authority's action to suspend or reinstate the medical
508.27 support contribution if the party makes a written request for a hearing within 30 days after
508.28 receiving written notice. If a party makes a timely request for a hearing, the public authority
508.29 must schedule a hearing and send written notice of the hearing to the parties by mail to the
508.30 parties' last known addresses at least 14 days before the hearing. The hearing must be
508.31 conducted in district court or in the expedited child support process if section 484.702
508.32 applies. The district court or child support magistrate must determine whether suspending
508.33 or reinstating the medical support contribution is appropriate and, if appropriate, the effective
508.34 date of the removal or reinstatement of the medical support contribution.

509.1 Subd. 17. **Collecting unreimbursed or uninsured ~~medical~~ health-related expenses.** (a)

509.2 This subdivision and subdivision 18 apply when a court order has determined and ordered
509.3 the parties' proportionate share and responsibility to contribute to unreimbursed or uninsured
509.4 ~~medical~~ health-related expenses.

509.5 (b) A party requesting reimbursement of unreimbursed or uninsured ~~medical~~
509.6 health-related expenses must initiate a request to the other party within two years of the
509.7 date that the requesting party incurred the unreimbursed or uninsured ~~medical~~ health-related
509.8 expenses. If a court order has been signed ordering the contribution ~~towards~~ toward
509.9 unreimbursed or uninsured expenses, a two-year limitations provision must be applied to
509.10 any requests made on or after January 1, 2007. The provisions of this section apply
509.11 retroactively to court orders signed before January 1, 2007. Requests for unreimbursed or
509.12 uninsured expenses made on or after January 1, 2007, may include expenses incurred before
509.13 January 1, 2007, and on or after January 1, 2005.

509.14 (c) A requesting party must mail a written notice of intent to collect the unreimbursed
509.15 or uninsured ~~medical~~ health-related expenses and a copy of an affidavit of health care
509.16 expenses to the other party at the other party's last known address.

509.17 (d) The written notice must include a statement that the other party has 30 days from
509.18 the date the notice was mailed to (1) pay in full; (2) agree to a payment schedule; or (3) file
509.19 a motion requesting a hearing to contest the amount due or to set a court-ordered monthly
509.20 payment amount. If the public authority provides services, the written notice also must
509.21 include a statement that, if the other party does not respond within the 30 days, the requesting
509.22 party may submit the amount due to the public authority for collection.

509.23 (e) The affidavit of health care expenses must itemize and document the joint child's
509.24 unreimbursed or uninsured ~~medical~~ health-related expenses and include copies of all bills,
509.25 receipts, and insurance company explanations of benefits.

509.26 (f) If the other party does not respond to the request for reimbursement within 30 days,
509.27 the requesting party may commence enforcement against the other party under subdivision
509.28 18; file a motion for a court-ordered monthly payment amount under paragraph (i); or notify
509.29 the public authority, if the public authority provides services, that the other party has not
509.30 responded.

509.31 (g) The notice to the public authority must include: a copy of the written notice, a copy
509.32 of the affidavit of health care expenses, and copies of all bills, receipts, and insurance
509.33 company explanations of benefits.

510.1 (h) If noticed under paragraph (f), the public authority must serve the other party with
510.2 a notice of intent to enforce unreimbursed and uninsured ~~medical~~ health-related expenses
510.3 and file an affidavit of service by mail with the district court administrator. The notice must
510.4 state that the other party has 14 days to (1) pay in full; or (2) file a motion to contest the
510.5 amount due or to set a court-ordered monthly payment amount. The notice must also state
510.6 that if there is no response within 14 days, the public authority will commence enforcement
510.7 of the expenses as arrears under subdivision 18.

510.8 (i) To contest the amount due or set a court-ordered monthly payment amount, a party
510.9 must file a timely motion and schedule a hearing in district court or in the expedited child
510.10 support process if section 484.702 applies. The moving party must provide the other party
510.11 and the public authority, if the public authority provides services, with written notice at
510.12 least 14 days before the hearing by mailing notice of the hearing to the public authority and
510.13 to the requesting party at the requesting party's last known address. The moving party must
510.14 file the affidavit of health care expenses with the court at least five days before the hearing.
510.15 The district court or child support magistrate must determine liability for the expenses and
510.16 order that the liable party is subject to enforcement of the expenses as arrears under
510.17 subdivision 18 or set a court-ordered monthly payment amount.

510.18 Subd. 18. **Enforcing unreimbursed or uninsured ~~medical~~ health-related expenses**
510.19 **as arrears.** (a) Unreimbursed or uninsured ~~medical~~ health-related expenses enforced under
510.20 this subdivision are collected as arrears.

510.21 (b) If the liable party is the parent with primary physical custody as defined in section
510.22 518A.26, subdivision 17, the unreimbursed or uninsured ~~medical~~ health-related expenses
510.23 must be deducted from any arrears the requesting party owes the liable party. If unreimbursed
510.24 or uninsured expenses remain after the deduction, the expenses must be collected as follows:

510.25 (1) If the requesting party owes a current child support obligation to the liable party, 20
510.26 percent of each payment received from the requesting party must be returned to the requesting
510.27 party. The total amount returned to the requesting party each month must not exceed 20
510.28 percent of the current monthly support obligation.

510.29 (2) If the requesting party does not owe current child support or arrears, a payment
510.30 agreement under section 518A.69 is required. If the liable party fails to enter into or comply
510.31 with a payment agreement, the requesting party or the public authority, if the public authority
510.32 provides services, may schedule a hearing to set a court-ordered payment. The requesting
510.33 party or the public authority must provide the liable party with written notice of the hearing
510.34 at least 14 days before the hearing.

511.1 (c) If the liable party is not the parent with primary physical custody as defined in section
511.2 518A.26, subdivision 17, the unreimbursed or uninsured ~~medical~~ health-related expenses
511.3 must be deducted from any arrears the requesting party owes the liable party. If unreimbursed
511.4 or uninsured expenses remain after the deduction, the expenses must be added and collected
511.5 as arrears owed by the liable party.

511.6 **EFFECTIVE DATE.** This section is effective January 1, 2025.

511.7 Sec. 29. Minnesota Statutes 2022, section 518A.42, subdivision 1, is amended to read:

511.8 Subdivision 1. **Ability to pay.** (a) It is a rebuttable presumption that a child support
511.9 order should not exceed the obligor's ability to pay. To determine the amount of child support
511.10 the obligor has the ability to pay, the court shall follow the procedure set out in this section.

511.11 (b) The court shall calculate the obligor's income available for support by subtracting a
511.12 monthly self-support reserve equal to 120 percent of the federal poverty guidelines for one
511.13 person from the obligor's parental income for determining child support (PICS). If benefits
511.14 under section 518A.31 are received by the obligee as a representative payee for a joint child
511.15 or are received by the child attending school, based on the other parent's eligibility, the court
511.16 shall subtract the amount of benefits from the obligor's PICS before subtracting the
511.17 self-support reserve. If the obligor's income available for support calculated under this
511.18 paragraph is equal to or greater than the obligor's support obligation calculated under section
511.19 518A.34, the court shall order child support under section 518A.34.

511.20 (c) If the obligor's income available for support calculated under paragraph (b) is more
511.21 than the minimum support amount under subdivision 2, but less than the guideline amount
511.22 under section 518A.34, then the court shall apply a reduction to the child support obligation
511.23 in the following order, until the support order is equal to the obligor's income available for
511.24 support:

511.25 (1) medical support obligation;

511.26 (2) child care support obligation; and

511.27 (3) basic support obligation.

511.28 (d) If the obligor's income available for support calculated under paragraph (b) is equal
511.29 to or less than the minimum support amount under subdivision 2 or if the obligor's gross
511.30 income is less than 120 percent of the federal poverty guidelines for one person, the minimum
511.31 support amount under subdivision 2 applies.

511.32 **EFFECTIVE DATE.** This section is effective January 1, 2025.

512.1 Sec. 30. Minnesota Statutes 2022, section 518A.42, subdivision 3, is amended to read:

512.2 Subd. 3. **Exception.** (a) This section does not apply to an obligor who is incarcerated
512.3 or is a recipient of a general assistance grant, Supplemental Security Income, temporary
512.4 assistance for needy families (TANF) grant, or comparable state-funded Minnesota family
512.5 investment program (MFIP) benefits.

512.6 (b) If the court finds the obligor receives no income and completely lacks the ability to
512.7 earn income, the minimum basic support amount under this subdivision does not apply.

512.8 (c) If the obligor's basic support amount is reduced below the minimum basic support
512.9 amount due to the application of the parenting expense adjustment, the minimum basic
512.10 support amount under this subdivision does not apply and the lesser amount is the guideline
512.11 basic support.

512.12 **EFFECTIVE DATE.** This section is effective January 1, 2025.

512.13 Sec. 31. Minnesota Statutes 2022, section 518A.65, is amended to read:

512.14 **518A.65 DRIVER'S LICENSE SUSPENSION.**

512.15 (a) This paragraph is effective July 1, 2023. Upon motion of an obligee, which has been
512.16 properly served on the obligor and upon which there has been an opportunity for hearing,
512.17 if a court finds that the obligor has been or may be issued a driver's license by the
512.18 commissioner of public safety and the obligor is in arrears in court-ordered child support
512.19 or maintenance payments, or both, in an amount equal to or greater than three times the
512.20 obligor's total monthly support and maintenance payments and is not in compliance with a
512.21 written payment agreement pursuant to section 518A.69 that is approved by the court, a
512.22 child support magistrate, or the public authority, the court ~~shall~~ may order the commissioner
512.23 of public safety to suspend the obligor's driver's license. The court may consider the
512.24 circumstances in paragraph (i) to determine whether driver's license suspension is an
512.25 appropriate remedy that is likely to induce the payment of child support. The court may
512.26 consider whether driver's license suspension would have a direct harmful effect on the
512.27 obligor or joint children that would make driver's license suspension an inappropriate remedy.
512.28 The public authority may not administratively reinstate a driver's license suspended by the
512.29 court unless specifically authorized in the court order. This paragraph expires December
512.30 31, 2025.

512.31 (b) This paragraph is effective January 1, 2026. Upon motion of an obligee, which has
512.32 been properly served on the obligor and upon which there has been an opportunity for
512.33 hearing, if a court finds that the obligor has a valid driver's license issued by the commissioner

513.1 of public safety and the obligor is in arrears in court-ordered child support or maintenance
 513.2 payments, or both, in an amount equal to or greater than three times the obligor's total
 513.3 monthly support and maintenance payments and is not in compliance with a written payment
 513.4 agreement pursuant to section 518A.69 that is approved by the court, a child support
 513.5 magistrate, or the public authority, the court may order the commissioner of public safety
 513.6 to suspend the obligor's driver's license. The court may consider the circumstances in
 513.7 paragraph (i) to determine whether driver's license suspension is an appropriate remedy that
 513.8 is likely to induce the payment of child support. The court may consider whether driver's
 513.9 license suspension would have a direct harmful effect on the obligor or joint children that
 513.10 would make driver's license suspension an inappropriate remedy. The public authority may
 513.11 not administratively reinstate a driver's license suspended by the court unless specifically
 513.12 authorized in the court order.

513.13 (c) The court's order must be stayed for 90 days in order to allow the obligor to execute
 513.14 a written payment agreement pursuant to section 518A.69. The payment agreement must
 513.15 be approved by either the court or the public authority responsible for child support
 513.16 enforcement. If the obligor has not executed or is not in compliance with a written payment
 513.17 agreement pursuant to section 518A.69 after the 90 days expires, the court's order becomes
 513.18 effective and the commissioner of public safety shall suspend the obligor's driver's license.
 513.19 The remedy under this section is in addition to any other enforcement remedy available to
 513.20 the court. An obligee may not bring a motion under this paragraph within 12 months of a
 513.21 denial of a previous motion under this paragraph.

513.22 ~~(b)~~ (d) This paragraph is effective July 1, 2023. If a public authority responsible for child
 513.23 support enforcement determines that the obligor has been or may be issued a driver's license
 513.24 by the commissioner of public safety ~~and~~; the obligor is in arrears in court-ordered child
 513.25 support or maintenance payments or both in an amount equal to or greater than three times
 513.26 the obligor's total monthly support and maintenance payments and not in compliance with
 513.27 a written payment agreement pursuant to section 518A.69 that is approved by the court, a
 513.28 child support magistrate, or the public authority, the public authority shall direct the
 513.29 commissioner of public safety to suspend the obligor's driver's license unless exercising
 513.30 administrative discretion under paragraph (i). The remedy under this section is in addition
 513.31 to any other enforcement remedy available to the public authority. This paragraph expires
 513.32 December 31, 2025.

513.33 (e) This paragraph is effective January 1, 2026. If a public authority responsible for child
 513.34 support enforcement determines that:

513.35 (1) the obligor has a valid driver's license issued by the commissioner of public safety;

514.1 (2) the obligor is in arrears in court-ordered child support or maintenance payments or
514.2 both in an amount equal to or greater than three times the obligor's total monthly support
514.3 and maintenance payments;

514.4 (3) the obligor is not in compliance with a written payment agreement pursuant to section
514.5 518A.69 that is approved by the court, a child support magistrate, or the public authority;
514.6 and

514.7 (4) the obligor's mailing address is known to the public authority;

514.8 then the public authority shall direct the commissioner of public safety to suspend the
514.9 obligor's driver's license unless exercising administrative discretion under paragraph (i).
514.10 The remedy under this section is in addition to any other enforcement remedy available to
514.11 the public authority.

514.12 ~~(e)~~ (f) At least 90 days prior to notifying the commissioner of public safety according
514.13 to paragraph ~~(b)~~ (d), the public authority must mail a written notice to the obligor at the
514.14 obligor's last known address, that it intends to seek suspension of the obligor's driver's
514.15 license and that the obligor must request a hearing within 30 days in order to contest the
514.16 suspension. If the obligor makes a written request for a hearing within 30 days of the date
514.17 of the notice, a court hearing must be held. Notwithstanding any law to the contrary, the
514.18 obligor must be served with 14 days' notice in writing specifying the time and place of the
514.19 hearing and the allegations against the obligor. The notice must include information that
514.20 apprises the obligor of the requirement to develop a written payment agreement that is
514.21 approved by a court, a child support magistrate, or the public authority responsible for child
514.22 support enforcement regarding child support, maintenance, and any arrearages in order to
514.23 avoid license suspension. The notice may be served personally or by mail. If the public
514.24 authority does not receive a request for a hearing within 30 days of the date of the notice,
514.25 and the obligor does not execute a written payment agreement pursuant to section 518A.69
514.26 that is approved by the public authority within 90 days of the date of the notice, the public
514.27 authority shall direct the commissioner of public safety to suspend the obligor's driver's
514.28 license under paragraph ~~(b)~~ (d).

514.29 ~~(d)~~ (g) At a hearing requested by the obligor under paragraph ~~(e)~~ (f), and on finding that
514.30 the obligor is in arrears in court-ordered child support or maintenance payments or both in
514.31 an amount equal to or greater than three times the obligor's total monthly support and
514.32 maintenance payments, the district court or child support magistrate shall order the
514.33 commissioner of public safety to suspend the obligor's driver's license or operating privileges
514.34 unless:

515.1 (1) the court or child support magistrate determines that the obligor has executed and is
515.2 in compliance with a written payment agreement pursuant to section 518A.69 that is approved
515.3 by the court, a child support magistrate, or the public authority; or

515.4 (2) the court, in its discretion, determines that driver's license suspension is unlikely to
515.5 induce payment of child support or would have direct harmful effects on the obligor or joint
515.6 child that makes driver's license suspension an inappropriate remedy. The court may consider
515.7 the circumstances in paragraph(i) in exercising the court's discretion.

515.8 ~~(e)~~ (h) An obligor whose driver's license or operating privileges are suspended may:

515.9 (1) provide proof to the public authority responsible for child support enforcement that
515.10 the obligor is in compliance with all written payment agreements pursuant to section 518A.69;

515.11 (2) bring a motion for reinstatement of the driver's license. At the hearing, if the court
515.12 or child support magistrate orders reinstatement of the driver's license, the court or child
515.13 support magistrate must establish a written payment agreement pursuant to section 518A.69;
515.14 or

515.15 (3) seek a limited license under section 171.30. A limited license issued to an obligor
515.16 under section 171.30 expires 90 days after the date it is issued.

515.17 Within 15 days of the receipt of that proof or a court order, the public authority shall
515.18 inform the commissioner of public safety that the obligor's driver's license or operating
515.19 privileges should no longer be suspended.

515.20 (i) Prior to notifying the commissioner of public safety that an obligor's driver's license
515.21 should be suspended or after an obligor's driving privileges have been suspended, the public
515.22 authority responsible for child support enforcement may use administrative authority to end
515.23 the suspension process or inform the commissioner of public safety that the obligor's driving
515.24 privileges should no longer be suspended under any of the following circumstances:

515.25 (1) the full amount of court-ordered payments have been received for at least one month;

515.26 (2) an income withholding notice has been sent to an employer or payor of funds;

515.27 (3) payments less than the full court-ordered amount have been received and the
515.28 circumstances of the obligor demonstrate the obligor's substantial intent to comply with the
515.29 order;

515.30 (4) the obligor receives public assistance;

516.1 (5) the case is being reviewed by the public authority for downward modification due
516.2 to changes in the obligor's financial circumstances or a party has filed a motion to modify
516.3 the child support order;

516.4 (6) the obligor no longer lives in the state and the child support case is in the process of
516.5 interstate enforcement;

516.6 (7) the obligor is currently incarcerated for one week or more or is receiving in-patient
516.7 treatment for physical health, mental health, chemical dependency, or other treatment. This
516.8 clause applies for six months after the obligor is no longer incarcerated or receiving in-patient
516.9 treatment;

516.10 (8) the obligor is temporarily or permanently disabled and unable to pay child support;

516.11 (9) the obligor has presented evidence to the public authority that the obligor needs
516.12 driving privileges to maintain or obtain the obligor's employment;

516.13 (10) the obligor has not had a meaningful opportunity to pay toward arrears; and

516.14 (11) other circumstances of the obligor indicate that a temporary condition exists for
516.15 which suspension of a driver's license for the nonpayment of child support is not appropriate.
516.16 When considering whether driver's license suspension is appropriate, the public authority
516.17 must assess: (i) whether suspension of the driver's license is likely to induce payment of
516.18 child support; and (ii) whether suspension of the driver's license would have direct harmful
516.19 effects on the obligor or joint children that make driver's license suspension an inappropriate
516.20 remedy.

516.21 The presence of circumstances in this paragraph does not prevent the public authority from
516.22 proceeding with a suspension of a driver's license.

516.23 ~~(f)~~ (j) In addition to the criteria established under this section for the suspension of an
516.24 obligor's driver's license, a court, a child support magistrate, or the public authority may
516.25 direct the commissioner of public safety to suspend the license of a party who has failed,
516.26 after receiving notice, to comply with a subpoena relating to a paternity or child support
516.27 proceeding. Notice to an obligor of intent to suspend must be served by first class mail at
516.28 the obligor's last known address. The notice must inform the obligor of the right to request
516.29 a hearing. If the obligor makes a written request within ten days of the date of the hearing,
516.30 a hearing must be held. At the hearing, the only issues to be considered are mistake of fact
516.31 and whether the obligor received the subpoena.

516.32 ~~(g)~~ (k) The license of an obligor who fails to remain in compliance with an approved
516.33 written payment agreement may be suspended. Prior to suspending a license for

517.1 noncompliance with an approved written payment agreement, the public authority must
 517.2 mail to the obligor's last known address a written notice that (1) the public authority intends
 517.3 to seek suspension of the obligor's driver's license under this paragraph, and (2) the obligor
 517.4 must request a hearing, within 30 days of the date of the notice, to contest the suspension.
 517.5 If, within 30 days of the date of the notice, the public authority does not receive a written
 517.6 request for a hearing and the obligor does not comply with an approved written payment
 517.7 agreement, the public authority must direct the Department of Public Safety to suspend the
 517.8 obligor's license under paragraph ~~(b)~~ (d). If the obligor makes a written request for a hearing
 517.9 within 30 days of the date of the notice, a court hearing must be held. Notwithstanding any
 517.10 law to the contrary, the obligor must be served with 14 days' notice in writing specifying
 517.11 the time and place of the hearing and the allegations against the obligor. The notice may be
 517.12 served personally or by mail at the obligor's last known address. If the obligor appears at
 517.13 the hearing and the court determines that the obligor has failed to comply with an approved
 517.14 written payment agreement, the court or public authority shall notify the Department of
 517.15 Public Safety to suspend the obligor's license under paragraph ~~(b)~~ (d). If the obligor fails
 517.16 to appear at the hearing, the court or public authority must notify the Department of Public
 517.17 Safety to suspend the obligor's license under paragraph ~~(b)~~ (d).

517.18 **EFFECTIVE DATE.** This section is effective July 1, 2023, unless otherwise specified.

517.19 Sec. 32. Minnesota Statutes 2022, section 518A.77, is amended to read:

517.20 **518A.77 GUIDELINES REVIEW.**

517.21 ~~(a)~~ No later than 2006 and every four years after that, the Department of Human Services
 517.22 must conduct a review of the child support guidelines as required under Code of Federal
 517.23 Regulations, title 45, section 302.56(h).

517.24 ~~(b) This section expires January 1, 2032.~~

517.25 **ARTICLE 16**

517.26 **MISCELLANEOUS**

517.27 Section 1. **[245.0964] SPECIAL GUERRILLA UNIT VETERANS GRANT PROGRAM.**

517.28 Subdivision 1. Establishment. The commissioner of human services must establish a
 517.29 grant program to offer culturally specific and specialized assistance to support the health
 517.30 and well-being of special guerilla unit veterans.

517.31 Subd. 2. Eligible applicants. To be eligible for a grant under this section, applicants
 517.32 must be a nonprofit organization or a nongovernmental organization that offers culturally

518.1 specific and specialized assistance to support the health and well-being of special guerilla
518.2 unit veterans.

518.3 Subd. 3. **Application.** An organization seeking a grant under this section must apply to
518.4 the commissioner at a time and in a manner specified by the commissioner.

518.5 Subd. 4. **Grant activities.** Grant funds must be used to offer programming, and culturally
518.6 specific and specialized assistance to support the health and well-being of special guerilla
518.7 unit veterans.

518.8 Sec. 2. **DIRECTION TO COMMISSIONER; IMPROVING THE MINNESOTA**
518.9 **ELIGIBILITY TECHNOLOGY SYSTEM (METS).**

518.10 (a) The commissioner must allocate funding in this section to complete the 24 priorities
518.11 for METS core functionality that were initially compiled in 2018, and to any project that
518.12 was put on hold during the federal public health emergency for COVID-19.

518.13 (b) The commissioner must implement changes to METS that permit an eligibility worker
518.14 to record receipt of an eligibility renewal form for medical assistance or MinnesotaCare
518.15 and to pause the automatic case closure functionality of METS until the eligibility renewal
518.16 form is completed.

518.17 (c) The commissioner must implement changes to METS that allow a closed medical
518.18 assistance or MinnesotaCare case to be reopened administratively.

518.19 (d) The commissioner must implement changes to METS that support processing medical
518.20 assistance renewals during the federally required four-month reconsideration period.

518.21 (e) The commissioner must provide additional staffing and execute a contract to respond
518.22 to the recommendations in the 2021 Department of Human Services Gartner Go Forward
518.23 strategy report.

518.24 (f) The commissioner must identify and implement additional changes to METS that
518.25 mitigate the most severe sources of manual processes needed to address the core functionality
518.26 limitations of METS.

518.27 Sec. 3. **DIRECTION TO COMMISSIONER; MODERNIZING THE MEDICAID**
518.28 **MANAGEMENT INFORMATION SYSTEM (MMIS).**

518.29 (a) The commissioner must refine the web-based Medicaid provider enrollment
518.30 application and automate the provider screening process and reporting functionality. The

519.1 commissioner must develop a provider directory that meets some of the requirements of
519.2 the Centers for Medicare and Medicaid Services interoperability rule.

519.3 (b) The commissioner must execute a contract to process outpatient pharmacy claims
519.4 and manage the outpatient fee-for-service medical assistance benefit.

519.5 (c) The commissioner must execute a contract for consultation services to analyze the
519.6 MMIS infrastructure and functionality and provide advice on the technical and planning
519.7 gaps that must be addressed in a modernized MMIS. The commissioner must use the analysis
519.8 to establish a strategic plan for the configuration, requirements, and trajectory of the
519.9 modernized MMIS and for mapping a modernized claims system functionality and integration
519.10 with other MMIS subsystems.

519.11 (d) The commissioner must develop a MMIS third-party liability subsystem that includes
519.12 a case management system with enhanced claims search functions, financial adjustment
519.13 and tracking functionality, and a connection to the electronic document management system.

519.14 (e) The commissioner must contract for services to leverage, sequence, and integrate
519.15 the products that will constitute the modernized MMIS so that all components of the
519.16 modernized MMIS interface with one another, exchange and make available needed data,
519.17 and ensure smooth implementation.

519.18 **Sec. 4. EVALUATION CONSULTATION REQUIREMENTS.**

519.19 For any section in this act that includes program outcomes, evaluation metrics or
519.20 requirements, progress indicators, or other related measurements, any commissioner must
519.21 consult with the commissioner of management and budget to develop outcomes, metrics or
519.22 requirements, indicators, or other related measurements for each section in this act affected
519.23 by this section. The commissioner must only implement program outcomes, evaluation
519.24 metrics or requirements, progress indicators, or other related measurements that are
519.25 determined through and agreed upon during the consultation with the commissioner of
519.26 management and budget. The commissioner shall not implement any sections affected by
519.27 this section until the consultation with the commissioner of management and budget is
519.28 completed. The commissioner must incorporate agreed upon program outcomes, evaluation
519.29 metrics, and progress indicators into grant applications, requests for proposals, and any
519.30 reports to the legislature."

519.31 Amend the title accordingly