

1.1 Senator moves to amend the delete-everything amendment (SCS5335A-3)
1.2 to S.F. No. 5335 as follows:

1.3 Page 6, after line 21, insert:

1.4 "Sec. 2. Minnesota Statutes 2022, section 245A.11, subdivision 2a, is amended to read:

1.5 Subd. 2a. **Adult foster care and community residential setting license capacity.** (a)
1.6 The commissioner shall issue adult foster care and community residential setting licenses
1.7 with a maximum licensed capacity of four beds, including nonstaff roomers and boarders,
1.8 except that the commissioner may issue a license with a capacity of five beds, including
1.9 roomers and boarders, according to paragraphs (b) to (g).

1.10 (b) The license holder may have a maximum license capacity of five if all persons in
1.11 care are age 55 or over and do not have a serious and persistent mental illness or a
1.12 developmental disability.

1.13 (c) The commissioner may grant variances to paragraph (b) to allow a facility with a
1.14 licensed capacity of up to five persons to admit an individual under the age of 55 if the
1.15 variance complies with section 245A.04, subdivision 9, and approval of the variance is
1.16 recommended by the county in which the licensed facility is located.

1.17 (d) The commissioner may grant variances to paragraph (a) to allow the use of an
1.18 additional bed, up to six, for emergency crisis services for a person with serious and persistent
1.19 mental illness or a developmental disability, regardless of age, if the variance complies with
1.20 section 245A.04, subdivision 9, and approval of the variance is recommended by the county
1.21 in which the licensed facility is located.

1.22 (e) The commissioner may grant a variance to paragraph (b) to allow for the use of an
1.23 additional bed, up to six, for respite services, as defined in section 245A.02, for persons
1.24 with disabilities, regardless of age, if the variance complies with sections 245A.03,
1.25 subdivision 7, and 245A.04, subdivision 9, and approval of the variance is recommended
1.26 by the county in which the licensed facility is located. Respite care may be provided under
1.27 the following conditions:

1.28 (1) staffing ratios cannot be reduced below the approved level for the individuals being
1.29 served in the home on a permanent basis;

1.30 (2) no more than two different individuals can be accepted for respite services in any
1.31 calendar month and the total respite days may not exceed 120 days per program in any
1.32 calendar year;

(3) the person receiving respite services must have his or her own bedroom, which could be used for alternative purposes when not used as a respite bedroom, and cannot be the room of another person who lives in the facility; and

(4) individuals living in the facility must be notified when the variance is approved. The provider must give 60 days' notice in writing to the residents and their legal representatives prior to accepting the first respite placement. Notice must be given to residents at least two days prior to service initiation, or as soon as the license holder is able if they receive notice of the need for respite less than two days prior to initiation, each time a respite client will be served, unless the requirement for this notice is waived by the resident or legal guardian.

(f) The commissioner may issue an adult foster care or community residential setting license with a capacity of five adults if the fifth bed does not increase the overall statewide capacity of licensed adult foster care or community residential setting beds in homes that are not the primary residence of the license holder, as identified in a plan submitted to the commissioner by the county, when the capacity is recommended by the county licensing agency of the county in which the facility is located and if the recommendation verifies that:

(1) the facility meets the physical environment requirements in the adult foster care licensing rule;

(2) the five-bed living arrangement is specified for each resident in the resident's:

(i) individualized plan of care;

(ii) individual service plan under section 256B.092, subdivision 1b, if required; or

(iii) individual resident placement agreement under Minnesota Rules, part 9555.5105, subpart 19, if required;

(3) the license holder obtains written and signed informed consent from each resident or resident's legal representative documenting the resident's informed choice to remain living in the home and that the resident's refusal to consent would not have resulted in service termination; and

(4) the facility was licensed for adult foster care before March 1, 2016.

(g) The commissioner shall not issue a new adult foster care license under paragraph (f) after December 31, 2020. The commissioner shall allow a facility with an adult foster care license issued under paragraph (f) before December 31, 2020, to continue with a capacity of five adults if the license holder continues to comply with the requirements in paragraph (f).

(h) The commissioner may issue an adult foster care or community residential setting license with a capacity of five or six adults to facilities meeting the criteria in 245A.03 subdivision 7, paragraph (a), clause (5).

~~(h)~~ (i) Notwithstanding Minnesota Rules, part 9520.0500, adult foster care and community residential setting licenses with a capacity of up to six adults as allowed under this subdivision are not required to be licensed as an adult mental health residential program according to Minnesota Rules, parts 9520.0500 to 9520.0670.

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

Page 19, after line 12, insert:

"Sec. 23. Laws 2024, chapter 85, section 53, is amended to read:

Sec. 53. Minnesota Statutes 2023 Supplement, section 245A.03, subdivision 7, is amended to read:

Subd. 7. **Licensing moratorium.** (a) The commissioner shall not issue an initial license for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, or adult foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under this chapter for a physical location that will not be the primary residence of the license holder for the entire period of licensure. If a family child foster care home or family adult foster care home license is issued during this moratorium, and the license holder changes the license holder's primary residence away from the physical location of the foster care license, the commissioner shall revoke the license according to section 245A.07. The commissioner shall not issue an initial license for a community residential setting licensed under chapter 245D. When approving an exception under this paragraph, the commissioner shall consider the resource need determination process in paragraph (h), the availability of foster care licensed beds in the geographic area in which the licensee seeks to operate, the results of a person's choices during their annual assessment and service plan review, and the recommendation of the local county board. The determination by the commissioner is final and not subject to appeal. Exceptions to the moratorium include:

(1) a license for a person in a foster care setting that is not the primary residence of the license holder and where at least 80 percent of the residents are 55 years of age or older;

(2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or community residential setting licenses replacing adult foster care licenses in existence on

December 31, 2013, and determined to be needed by the commissioner under paragraph (b);

(3) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for the closure of a nursing facility, ICF/DD, or regional treatment center; restructuring of state-operated services that limits the capacity of state-operated facilities; or allowing movement to the community for people who no longer require the level of care provided in state-operated facilities as provided under section 256B.092, subdivision 13, or 256B.49, subdivision 24; ~~or~~

(4) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for persons requiring hospital-level care; or

(5) new community residential setting licenses for supervised living facilities licensed under Minnesota Rules, chapter 4665, with a capacity of 5 or 6 beds, but not designated as intermediate care facilities. This exception is available until June 30, 2026.

(b) The commissioner shall determine the need for newly licensed foster care homes or community residential settings as defined under this subdivision. As part of the determination, the commissioner shall consider the availability of foster care capacity in the area in which the licensee seeks to operate, and the recommendation of the local county board. The determination by the commissioner must be final. A determination of need is not required for a change in ownership at the same address.

(c) When an adult resident served by the program moves out of a foster home that is not the primary residence of the license holder according to section 256B.49, subdivision 15, paragraph (f), or the adult community residential setting, the county shall immediately inform the Department of Human Services Licensing Division. The department may decrease the statewide licensed capacity for adult foster care settings.

(d) Residential settings that would otherwise be subject to the decreased license capacity established in paragraph (c) shall be exempt if the license holder's beds are occupied by residents whose primary diagnosis is mental illness and the license holder is certified under the requirements in subdivision 6a or section 245D.33.

(e) A resource need determination process, managed at the state level, using the available data required by section 144A.351, and other data and information shall be used to determine where the reduced capacity determined under section 256B.493 will be implemented. The commissioner shall consult with the stakeholders described in section 144A.351, and employ a variety of methods to improve the state's capacity to meet the informed decisions of those

people who want to move out of corporate foster care or community residential settings, long-term service needs within budgetary limits, including seeking proposals from service providers or lead agencies to change service type, capacity, or location to improve services, increase the independence of residents, and better meet needs identified by the long-term services and supports reports and statewide data and information.

(f) At the time of application and reapplication for licensure, the applicant and the license holder that are subject to the moratorium or an exclusion established in paragraph (a) are required to inform the commissioner whether the physical location where the foster care will be provided is or will be the primary residence of the license holder for the entire period of licensure. If the primary residence of the applicant or license holder changes, the applicant or license holder must notify the commissioner immediately. The commissioner shall print on the foster care license certificate whether or not the physical location is the primary residence of the license holder.

(g) License holders of foster care homes identified under paragraph (f) that are not the primary residence of the license holder and that also provide services in the foster care home that are covered by a federally approved home and community-based services waiver, as authorized under chapter 256S or section 256B.092 or 256B.49, must inform the human services licensing division that the license holder provides or intends to provide these waiver-funded services.

(h) The commissioner may adjust capacity to address needs identified in section 144A.351. Under this authority, the commissioner may approve new licensed settings or delicense existing settings. Delicensing of settings will be accomplished through a process identified in section 256B.493.

(i) The commissioner must notify a license holder when its corporate foster care or community residential setting licensed beds are reduced under this section. The notice of reduction of licensed beds must be in writing and delivered to the license holder by certified mail or personal service. The notice must state why the licensed beds are reduced and must inform the license holder of its right to request reconsideration by the commissioner. The license holder's request for reconsideration must be in writing. If mailed, the request for reconsideration must be postmarked and sent to the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds. If a request for reconsideration is made by personal service, it must be received by the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds.

6.1 (j) The commissioner shall not issue an initial license for children's residential treatment
6.2 services licensed under Minnesota Rules, parts 2960.0580 to 2960.0700, under this chapter
6.3 for a program that Centers for Medicare and Medicaid Services would consider an institution
6.4 for mental diseases. Facilities that serve only private pay clients are exempt from the
6.5 moratorium described in this paragraph. The commissioner has the authority to manage
6.6 existing statewide capacity for children's residential treatment services subject to the
6.7 moratorium under this paragraph and may issue an initial license for such facilities if the
6.8 initial license would not increase the statewide capacity for children's residential treatment
6.9 services subject to the moratorium under this paragraph.

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

6.11 Renumber the sections in sequence and correct the internal references