

DHS 2025 Policy Bill

Aging and Disability Services Administration

ICF/DD Services During the Day

This proposal amends statute to clarify rates for Day Training and Habilitation (DT&H) services for people receiving services in an Intermediate Care Facility for persons with Developmental Disabilities (ICF/DD) to ensure the rates are consistent with the historical rate and current spending authority.

Technical corrections to Residential Access Criteria

This proposal makes technical edits to the residential access criteria created by the 2021 Minnesota Legislature for disability waivers. Current law contains inaccurate cross references that need to be updated as the state prepares for federal approval and implementation.

Eliminate the needs determination process for community-based day support services

This proposal would eliminate the needs determination process for community-based day service providers to align with employment first requirements and ensure services are offered in the most integrated setting possible. The needs determination process is a time-consuming process for lead agencies and providers.

Codify Informed Choice Training Requirements for Case Managers

This proposal codifies annual informed choice training requirements from [Minnesota Laws 2021, 1st Special Session Chapter 7, Article 13, section 75](#) which requires all disability waiver case managers to have training and competency evaluations completed annually. 2021 session law required DHS to develop and implement a curriculum and training plan to ensure all lead agency assessors and case managers have the knowledge and skills necessary to comply with informed decision making for people who use home and community-based disability waivers. DHS developed this training and curriculum. This proposal codifies the requirement that case managers complete annual training.

Behavioral Health Administration

Children's Mental Health Act Clarifications

This proposal clarifies Minnesota Children's Mental Health (CMH) [case management statutes](#) to ensure the statute aligns with Minnesota's federally-approved Medicaid State Plan Agreement. Children's Mental Health Targeted Case Management (CMH TCM) serves children with a severe emotional disturbance (SED). Adult Mental Health Targeted Case Management (AMH TCM) providers serve adults with a serious and persistent mental illness (SPMI). Current statute requires that MA covers both of these services if they meet requirements in the Adult and Children's mental health acts and if they complete certain case management activities: assessment, clinical supervision, referrals, monitoring, and coordination. This proposal simply adds those activities to the CMH Act to ensure consistency and clarity for providers and that both acts align with the Minnesota's federally approved Medicaid state plan agreement.

Intermediate School-Linked Grant Codification

This proposal codifies intermediate school-linked grant language. Grants to Intermediate school districts were originally authorized under 2017 session law ([Laws of Minnesota 2017, chapter 5, article 2, section 56](#)). This policy codifies this program in Minnesota Statute to ensure DHS has clear authority under which to administer these grants.

These school districts provide highly specialized educational programs to students and families, such as special education to students in a federal instructional level IV setting, area learning centers, vocational technology programs and online learning. Minnesota has four intermediate districts that serve more than 20,000 students annually and are organized under Minnesota Statutes, Chapter 136D, section [136D.01](#)

- Intermediate School District no. 287, Hennepin and Wright counties
- Southwest Metro; Intermediate School District no. 288, Carver, Le Sueur, and Scott counties
- Northeast Metro; Intermediate School District no. 916, Anoka, Ramsey, and Washington counties
- intermediate School District no. 917, Dakota county

Direct Care and Treatment

DCT Separation statutory clean-up

This proposal makes changes to accurately reflect where DCT or DHS, or in some cases both agencies, are responsible for various functions. The proposal ensures that DCT retains its current authorities as a standalone state agency. These changes do not provide any new authorities to DCT. This proposal is result of collaboration between the Revisors Office and DCT.

Technical Changes to DCT program locations and crisis services

This proposal makes changes to section 252.50 subdivisions 5 and 7, which address the location of state-operated, community-based programs and crisis services. The current language is not inclusive or person-centered, has outdated and redundant terminology, and lacks clarity about the services provided by DCT's community-based services. The proposal modernizes the language to be person-centered, provide accurate descriptions of services, be more inclusive (specifically naming tribal nations, persons with disabilities), and reduce redundant language. There are no substantive changes to the current process or eligibility for services.

Retain Medically Appropriate Bed for Priority Admissions

In 2023 the Legislature temporarily amended the Priority Admissions Law or the 48-Hour Law to clarify that individuals who meet the criteria set out in the law must be admitted to a state-operated treatment program within 48 hours of when a medically appropriate bed is available. The temporary amendment took effect on May 25, 2023, but will expire on June 30, 2025. This proposal extends the sunset for the "medically appropriate bed" for two years.

Health Care Administration

Prior Authorization Clean-up

The 2024 Minnesota legislature made significant changes to the use of prior authorization by health plans in the private market and for Minnesota Health Care Programs (MHCP). This proposal makes technical and conforming changes by adding "calendar year" for fee-for-service Medical Assistance and MinnesotaCare, in addition to the current language that specifies "plan year."

Office of Inspector General & Operations

Children and Families Licensing

This proposal contains four components related to licensing or regulation of programs that serve children:

- (1) Family and childcare licensing technical correction:** Section 142B.30, subd. 1, paragraph (e) needs to be updated to reflect that family child care programs will be on a continuous license, so county licensors will no longer issue two-year licenses for those programs.

The 2023 Legislature passed changes to licensing statute to align with establishing a continuous license process for family child care. Currently section 142B.30, subd. 1, paragraph (e) does not account for license types that operate on a continuous license structure. Beginning in calendar year 2025, family child care licenses will be issued for a calendar year and renewed. Child foster care will eventually move to a continuous license in the coming years, so we want to be cognizant of creating language that will allow this growth in the future, but still allow child foster care to operate on a two-year license cycle.

This proposal clarifies that licenses may be issued for up to two years unless they are designated to be renewed each calendar year (the continuous license structure).

(2) Certified child care centers policy modifications: This provision requires certified child care centers to have a policy on behavior guidance and supervision; clarifies first aid and CPR training requirements for certified child care centers; and aligns current requirements on posting conditional licenses with conditional certification. This proposal ensures conditional certification information is posted in the facility, providing transparency for families.

(3) Child passenger restrain systems training: This provision aligns requirements in DHS statute to align with recent Department of Public Safety (DPS) child passenger restrain systems. The 2024 Legislature made changes to the child passenger restraint systems requirements in Minnesota Statutes section 169.685, requiring children up to age 9 years old to use a child passenger restraint.

This provision also aligns DHS statute to reflect updated DPS training requirements for child passenger restrain systems to remove barriers and increase access to training. With the changes, the emergency relative variance for the training is no longer needed. The variance available to relatives providing child foster care requires the relative to complete an in-person child seat safety check up by a DPS approved trainer, with the exact car seat the foster child will use and submit the completed variance form to their licenser. Under the new DPS training model, individuals may complete an online training from the National Child Passenger Safety Board and then complete an in-person competency check with a facilitator.

(4) Licensed child care centers technical change: Minnesota Statutes, chapter 245A.02, subdivision 2b defines “annual or annually” as prior to or within the same month of the subsequent calendar year. In order to provide consistency and clarity, in 2019, child care center statutory language related to trainings and other yearly requirements was changed from annual to calendar year. This proposal makes a corresponding change in 245A.41, subd. 3 (d), which was accidentally overlooked.

Mental Health and SUD Licensing Policy

This proposal updates licensing regulations in several areas to align client rights protections across license types, remove unnecessary paperwork, increase access to services for families and children, and improve provider understanding of requirements.

- First, this proposal expands client rights under the health care bill of rights to include children’s residential substance use disorder (SUD) treatment, nonresidential SUD treatment, and withdrawal management (WM) programs.
- Second, this proposal allows substance use disorder treatment programs to supervise children for short time periods while their parents receive treatment in the same building.
- Third, this proposal reduces barriers for children and families to access adolescent treatment. Modifications include exempting mental health professionals from redundant training requirements, allowing providers to use comprehensive assessments that another provider may have completed,

removing redundant orientation paperwork when a client transfers to another program with the same license holder, and clarifies that peer recovery services must not be provided in group settings.

- Fourth, this proposal changes maltreatment laws to make MDH the agency responsible for investigating maltreatment in psychiatric residential treatment facilities (PRTFs) which are dually regulated facilities.
- Fifth, this proposal adds timeframes to require staff to complete alcohol and drug policy and overdose medication administration training before providing services. Without a timeframe, programs do not receive clear instructions for when this must occur. It is important that people know how to treat overdoses and that they can't be under the influence at work before they provide care or services. This change would require staff to complete alcohol and drug policy and overdose medication administration trainings prior to providing services.

Background Studies Chapter 245C policy and technical

The proposal would make four sets of changes to background studies statute. This proposal codifies the current use of electronic signatures in NETStudy 2.0.

- First, this will provide greater transparency about background studies and related processes for study subjects, providers, and policymakers as the updated language would include necessary definitions and ensure consistent wording in all instances.
- Second, this proposal updates the arrest and investigative information enumerated in statute that the commissioner may review for a background study. This change will better reflect the source and scope of investigations. Current language does not give DHS access to an appropriate range of information. The change would broaden "county attorney" to "prosecutor" and replace "a county sheriff" and "a local chief of police" with "a law enforcement agency."
- Third, this proposal expands the scope of a limited set aside in §245C.22, subd. 5(a). This change would provide potential employment options for impacted people seeking a study in addition to greater transparency about the background studies process. Currently, statute only allows limited set asides for personal care provider organizations (PCPO), while similar program types that provide in-home services are not allowed limited set asides. That provision creates a disconnect for people receiving similar services through technically different programs. The change would allow a limited set aside for financial management services (FMS), consumer-directed community supports (CDCS), and unlicensed home and community-based services (HCBS).

Anti-Kickback

This proposal addresses the federally illegal practice of kickbacks. Anti-kickback policy prohibits providers from receiving anything of value in exchange for referrals payable by a federal program. Language prohibiting kickback practices is found throughout laws governing federal programs, like Social Security and the Affordable Care Act, and specifically in 42 U.S.C 1320a-7B.

This proposal would incorporate federal anti-kickback language into Minnesota statute, including those directing the state's MA and CCAP programs, as a way to combat fraud, waste, and abuse. This proposal would create criminal penalties for individuals and entities that knowingly and willfully offer, pay, solicit, or receive

compensation where payment may be made under a health care program. If enacted, the new state law would apply to providers and recipients of MA and CCAP.

Guest speaker documentation requirements

The 2022 Legislature passed definitions and guidelines for utilizing guest speakers as a part of SUD treatment services provided by an alcohol and drug counselor. While DHS recognizes the value of utilizing guest speakers as a part of treatment, the agency must also ensure that people are receiving evidence-based services and that taxpayer funds are being utilized appropriately. This proposal adds minimal documentation requirements to Minn. Stat. 245G.06, subd. 2a to help ensure treatment providers are not misusing guest speakers as a way to commit fraud, waste, or abuse. If an audit or investigation should occur, investigators within the Medicaid Provider Audits and Investigations (MPAI) program can refer to these documentation requirements to help determine whether fraud, waste, or abuse is present.

Human Services Judges Personal Data Protection

This proposal would update Minnesota Statute 480.40 to include Human Services Judges in the definition of judicial official. This would provide additional security measures for DHS human services judges in the provision of services.

The 2024 Legislature created protections, remedies penalties around the dissemination around personal data for judicial officials in section 480.40 (see [Chapter 123, Article 12 Section 2](#)). The updates included a definition of “judicial official” and clarified protections on the dissemination of personal information. Despite the expanded definition, Human Services judges were not included in this expansion.